

DPB COPY
FY 1990 Treasury Approp.
House Report

TREASURY, POSTAL SERVICE, AND GENERAL
GOVERNMENT APPROPRIATIONS BILL, 1990

JULY 25, 1989.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

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

REPORT

[To accompany H.R. 2989]

The Committee on Appropriations submits the following report
in explanation of the accompanying bill making appropriations for
the Treasury Department, the U.S. Postal Service, the Executive
Office of the President, and certain Independent Agencies for the
fiscal year ending September 30, 1990, and for other purposes.

INDEX TO BILL AND REPORT

	<i>Page number</i>	
	<i>Bill</i>	<i>Report</i>
Summary of the bill		2
General statement.....		3
Title I—Treasury Department	2	4
Title II—United States Postal Service	15	35
Title III—Executive Office of the President.....	17	38
Title IV—Independent Agencies.....	23	51
Administrative Conference of the U.S.....	23	51
Advisory Commission on Intergovernmental Relations.....	24	51
Advisory Committee on Federal Pay	24	53
Committee for Purchase from the Blind and Other Severely Handicapped	24	54
Federal Election Commission	25	54
General Services Administration.....	25	56
Martin Luther King, Jr. Federal Holiday Commission.....	47	71
National Archives and Records Administration.....	47	72
Office of Government Ethics.....	47	73
Office of Personnel Management.....	48	74
Merit Systems Protection Board:		
Salaries and expenses.....	52	81

	Page number	
	Bill	Report
Special counsel.....	52	82
Federal Labor Relations Authority.....	53	83
United States Tax Court.....	53	84
Title V—General Provisions, this act.....	54	85
Title VI—General Provisions, Governmentwide.....	65	86
Compliance With House rules.....		86
Table.....		98

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.

SUMMARY OF THE BILL

The accompanying bill contains recommendations for new budget (obligational) authority for fiscal year 1990 for the Department of the Treasury, the U.S. Postal Service, various offices in the Executive Office of the President, and certain Independent Agencies. The following table summarizes these recommendations and reflects comparisons with the budget, as amended, and with amounts appropriated to date for fiscal year 1989.

Agency	New budget (obligational) authority fiscal year 1989 enacted to date	Budget estimates of new (obligation) authority, fiscal year 1990	Recommended in the bill	Bill compared with—	
				New budget (obligation) authority fiscal year 1989	Budget estimate fiscal year 1990
Title I, Department of the Treasury.....	\$7,669,043,000	\$8,053,515,000	\$8,054,021,000	\$+384,978,000	\$+506,000
Title II, U.S. Postal Service.....	436,417,000	+96,697,000	496,697,000	60,280,000	
Title III, Executive Office of the President.....	113,310,000	283,648,000	268,073,000	+154,763,000	-15,575,000
Title IV, Independent agencies.....	7,828,640,000	9,582,744,000	9,604,021,000	+1,775,381,000	+21,277,000
Grand total.....	16,047,410,000	18,416,604,000	18,422,812,000	+2,375,402,000	+6,208,000

OVERALL FUNDING FOR TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT PROGRAMS

In addition to the new obligational authority recommended in the accompanying bill, additional significant sums are made available each year for these same agencies under permanent authority which do not require consideration by the Congress during the annual appropriations process. The details of these items are contained in the tables at the end of this report. The principal items in this category include payment of interest on the public debt which alone is anticipated to reach \$248 billion for fiscal year 1990, an amount the Committee believes may be understated; interest on Internal Revenue Service refunds of income tax payments; payment

of some claims and judgments; payments in connection with the Civil Service Retirement and Disability Fund; and payment to Puerto Rico and the Virgin Islands for internal revenue and customs collections. Also included is an item for the Presidential Election Campaign Fund. It is estimated that the fiscal year 1990 requirements for funds for these purposes will increase over fiscal year 1989 by approximately \$15 billion.

The amounts recommended in the accompanying bill—in the form of new obligational authority—together with the funds provided under the permanent authority referred to above will provide approximately \$340 billion during fiscal year 1990 for the agencies and activities under the general heading of this bill.

The following table reflects comparisons of the gross amounts for fiscal year 1989 and 1990 for these activities:

	Fiscal year—		Increase (+) or decrease (—)
	1989	1990	
Treasury, Postal Service, and General Government appropriations	16,047,410,000	18,422,812,000	+2,375,402,000
Permanent new budget authority	306,247,888,000	321,269,352,000	+15,021,464,000
Grand total	322,295,298,000	339,692,164,000	17,396,866,000

In addition to the agencies whose funds are derived from direct appropriations and from permanent authority as shown in the above table and discussed in the preceding paragraph, there are other agencies that operate under authorities which exempt them from Congressional review, in whole or in part, during the annual appropriations process or, as a matter of fact, from any other regular oversight by the Congress. For example, the United States Postal Service, under the Postal Reorganization Act, is authorized to use all of its income from postage and services for its own purposes and to request an appropriation from the Congress for certain subsidies. Therefore, only the amount of the subsidy requirement is regularly reviewed by the Congress. In the Treasury Department the Office of the Comptroller of the Currency, whose income is derived principally from assessments paid by national banks, is exempt from Congressional review, because such assessments are not construed under law to be government funds.

GENERAL STATEMENT

The accompanying bill recommends funds for the activities of the Treasury Department, payment into the Postal Fund of the United States Postal Service, most of the agencies within the Executive Office of the President, and certain independent agencies for the fiscal year 1990.

The Committee considered budget estimates for fiscal year 1990 in the total amount of \$18,416,604,000 included in the President's budget request. The accompanying bill recommends new obligational authority of \$18,422,812,000 for those agencies, an increase of \$6,208,000 above the budget estimates for new obligational authority.

The amount recommended for fiscal year 1990 is \$2,375,402,000 above the \$16,047,410,000 appropriated to date for fiscal year 1989.

UNAUTHORIZED ITEMS PROPOSED IN THE BUDGET

For many years the Budget has proposed appropriation language and requested funds for activities and purposes not authorized by law.

The rules of the House specifically prohibit the inclusion of funds for unauthorized activities in appropriation acts as well as language which is legislative in nature. Many of these items have been carried in several appropriation bills each year for many years. Others have been deleted in the House, restored by the Senate, and returned by the Conferees in "technical disagreement" for action by the whole House. The inclusion of such items in an appropriation act does not set a precedent and confers no subsequent legislative authority for such appropriations.

PROBABLE EFFECT OF COMMITTEE ACTION ON PROJECTED BUDGET EXPENDITURES (OUTLAYS) IN FISCAL YEAR 1990

The recommended increase of \$6 million above the budget request in the accompanying bill for proposed new budget (obligational) authority and the effect of limitations on expenditures imposed on the Federal Buildings Fund in fiscal year 1990 would have the impact of increasing budget expenditures.

In view of the fact that most of the agencies covered by this bill deal in programs whose expenses are largely for personnel compensation, benefits, and related costs, the majority of the funds appropriated for such agencies will actually result in expenditures before the end of the fiscal year or very shortly thereafter. There are some exceptions, of course, and those exceptions are noted in the appropriate paragraphs in this report.

TITLE I—DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

Appropriation, fiscal year 1989 to date	\$59,618,000
Budget estimate, fiscal year 1990*	83,091,000
Recommended in the bill.....	58,081,000
Bill compared with:	
Appropriation, fiscal year 1989	—1,537,000
Budget estimate, fiscal year 1990.....	—25,010,000

*Includes budget request of \$25,010,000 for International Affairs.

The Committee recommends an appropriation of \$58,081,000 the full amount of budget request for the Office of the Secretary for fiscal year 1990 and a net decrease of \$1,537,000 below the authorized level for 1989.

The Departmental Offices function serves as the principal policy formulation and management arm of the Secretary of the Treasury and includes the following activities.

Secretarial policy and program development. The Secretary has primary responsibility for formulating and recommending domestic and international financial policy, economic policy, and tax policy; managing the public debt; and participating in the formulation of broad fiscal policies that have general significance for the economy.

International affairs. The programs conducted within this activity are designed to analyze and implement international monetary and development financing policy. Additional staff support is provided in areas concerned with international investment, trade, and balance of payments issues.

Departmental management and administration. This activity provides central administrative policies and guidance to the entire Department; the direct administrative support required for the Treasury operations; oversight and management of departmental information technology development; and computer support and services.

Buildings maintenance and operations. This activity provides for the maintenance and operation of the main Treasury Building and the Annex, including utilities, and custodial and craftsmen services. In addition, this activity provides for all telecommunications facilities and services and the Federal buildings fund payment for all space occupied by the Treasury Offices outside of the Treasury Building and the Annex.

Repairs and improvements. This activity provides the funding for major repairs and improvements to the Treasury Building and Annex.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Dollars in thousands]

	FTE positions	Amount
Proposed fiscal year 1989 level.....	837	\$59,618
Changes proposed for fiscal year 1990:		
Program increases	8	3,957
Maintain current program levels	0	2,318
Reductions, nonrecurring costs, and savings		(1,090)
Net transfers.....	(117)	(6,134)
Program reductions.....		(588)
Total fiscal year 1990 changes.....	(109)	-1,537
Fiscal year 1990 President's budget.....	728	58,081

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

[Dollars in thousands]

	Change from proposed fiscal year levels	
	FTE positions	Amount
Program increases: Upgrade the Data Center (1 FTE, \$1,308), develop a new financial management and accounting system (0 FTE, \$1,649), upgrade the Automated Financial Management Information System (AFMIS) (0 FTE, \$150), improve tax policy revenue estimates (7 FTE, \$300), and contract costs for budget and finance studies (0 FTE, \$550)		\$3,957
Maintain current program levels: An increase is requested for the costs of inflation, pay annualization, and other uncontrollable increases (e.g., benefits, contracts, equipment), and an FY		2,318
1990 pay comparability increase: Reductions for nonrecurring costs and savings: A decrease is requested for nonrecurring costs relating to completion of the annex move.....		(1,090)
Net transfers: The Departmental Offices are transferring resources to the Statutory Inspector General appropriation.....	(117)	(6,134)
Program reductions: Reductions taken against travel, training, supplies, and other administrative support, to offset annualization of the January 1989 pay increase.....		(588)

PROPOSED CONSOLIDATION OF OFFICE OF THE SECRETARY AND
INTERNATIONAL AFFAIRS APPROPRIATION ACCOUNTS

The fiscal year 1990 budget request for the Office of the Secretary again proposed that the international operations of the Office of the Secretary be merged with the Salaries and Expenses appropriation (which previously funded domestic policy operations, departmental oversight programs and general administration) to form a single appropriation account for the Office of the Secretary.

In 1979 this Committee established a separate appropriation account for international affairs activities in the Treasury Department. The purpose of the separate account was to provide the Committee and the Congress with information for oversight purposes concerning the international financial activities of the Treasury Department which are not a part of the normal departmental activities of the Treasury concerning domestic financial affairs.

The Committee has, therefore, disallowed the proposed merger of appropriations and continues two appropriations for those two separate functions.

ALEXANDER-BROOKE AMENDMENT

The Committee is aware that since Fiscal Year 1976, federal law, known as the Alexander-Brooke amendment, has prohibited furnishing assistance, pursuant to a program for which funds are appropriated under federal laws making appropriations for foreign operations, export financing and related programs, to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States. It appears that the Executive Branch has frequently entered into bilateral and/or multilateral debt rescheduling agreements with numerous nations which could have been subject to the repayment default provision. The Committee directs the Department of the Treasury to report to the Committee, not later than February 1, 1990, on the debt rescheduling agreements which the United States government has entered into with other nations beginning with Fiscal Year 1976 and continuing through Fiscal Year 1989. The report should provide the following information: the name of the nation involved, the date on which debt rescheduling negotiations began, the total amount of the loan principal and/or interest owed to the United States which was due and unpaid at the time the negotiations began, the date the debt rescheduling agreement was signed, the total amount of loan principal and/or interest owed to the United

States that was due and unpaid at the time the debt rescheduling agreement was signed, the total amount of loan principal and/or interest owed to the United States that was covered by the rescheduling agreement, the total amount of loan principal and/or interest that was covered by the rescheduling agreement that has been paid, and whether the debt rescheduling agreement was a bilateral or multilateral agreement. In the instance of any nation with which the United States has entered more than one debt rescheduling negotiation and/or agreement during the period covered by the report, the report should identify the portion of the loan principal and/or interest involved if a debt rescheduling agreement was subject to a prior debt rescheduling agreement.

STAFFING

The Committee allows the 728 positions requested for 1990, a reduction of 109 below the 837 positions authorized in 1989.

INTERNATIONAL AFFAIRS

Appropriation, fiscal year 1989 to date	\$22,000,000
Budget estimate, fiscal year 1990 *	
Recommended in the bill.....	25,010,000
Bill compared with:	
Appropriation, fiscal year 1989	+3,010,000
Budget estimate, fiscal year 1990.....	+25,010,000

* Budget request of \$25,010,000 is included in request for Departmental Offices.

The Committee recommends an appropriation of \$25,010,000, the full amount of the fiscal 1990 budget request included in the request for Departmental Offices and an increase of \$3,010,000 above the \$22,000,000 appropriated for fiscal year 1989.

The programs funded by this appropriation are designed to analyze and implement international monetary and development financing policy. Additional staff support is provided in areas concerned with international investment, trade, and balance of payments issues.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Dollars in thousands]

	FTE positions	Amount
Proposed fiscal year 1989 level.....	353	\$22,000
Changes proposed for fiscal year 1990:		
Program Increases		2,063
Maintain current program levels		332
Net transfers.....		628
Program reduction		(13)
Fiscal year 1990 President's budget.....	353	25,010

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

[Dollars in thousands]

	Change from proposed fiscal year 1989 levels	
	FTE positions	Amount
Program increases: Increases are requested to fund restoration of the International Affairs reduction taken in fiscal year 1989.....		2,063
Maintain current program levels: An increase is requested for the costs of inflation, pay annualization, and other uncontrollable increases, and an fiscal year 1990 pay comparability increase.....		332
Funds have been transferred in from the State Department which reflect Treasury's share of expenses for overseas administrative support.....		+ 628
Program reductions.....		- 13

STAFFING

The Committee allows the 353 positions requested for 1990, the same number authorized in 1989.

OFFICE OF THE INSPECTOR GENERAL

Appropriation, fiscal year 1989 to date	
Budget estimate, fiscal year 1990	\$13,605,000
Recommended in the bill.....	13,605,000
Bill compared with:	
Appropriation, fiscal year 1989	+ 13,605,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$13,605,000, the full amount of the fiscal 1990 budget request and an increase of \$13,605,000 above fiscal year 1989.

This appropriation provides agencywide audit and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste and mismanagement. The audits function provides internal audit, contract audit, and inspections 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. Internal audits review and evaluate all facets of agency operations. Inspections services provide detailed technical evaluations of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Dollars in thousands]

	FTE positions	Amount
Fiscal 1989 appropriation (Public Law 100-440)		
Proposed fiscal year 1989 level.....		
Changes proposed for fiscal year 1990:		
Net transfers.....	237	\$13,605
Total fiscal year 1990 Changes.....	237	13,605
Fiscal year 1990 President's budget.....	237	13,605

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

[Dollars in thousands]

	Change from proposed fiscal year 1989 levels	
	FTE positions	Amount
Net transfers: Pursuant to Public Law 100-504, resources have been transferred from various Treasury bureaus to the Office of the Inspector General.....	237	\$13,605

STAFFING

The Committee allows the 237 positions requested for 1990.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

Appropriation, fiscal year 1989 to date	\$34,664,000
Budget estimate, fiscal year 1990	34,158,000
Recommended in the bill.....	34,158,000
Bill compared with:	
Appropriation, fiscal year 1989	
Budget estimate, fiscal year 1990.....	+ 506,000

The Committee recommends an appropriation of \$34,664,000, an increase of \$506,000 above the fiscal 1990 budget request, and the same amount as authorized for fiscal year 1989.

The Federal Law Enforcement Training Center provides the necessary facilities, equipment, and support services for conducting recruit, advanced, specialized, and refresher training for Federal law enforcement personnel. Center personnel conduct the instructional programs for the basic recruit and some of the advanced training. 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 personnel on a space-available basis.

OUTSTANDING STUDENT AWARD

The Committee recommends language authorizing the Director of the Federal Law Enforcement Training Center (Center), Glynco, Georgia, to establish an award program to recognize and to present, annually, an award to the outstanding student graduate in

Basic training at the Center for the previous fiscal year. The award shall be in the form of a personal hand gun (appropriate to the individual's law enforcement field of employment) for the student authorized to carry a firearm or other suitable gift of intrinsic value for a student not authorized to carry a firearm. The Director shall establish criteria for the selection of the awardee. The award shall be funded by donations made to the Center under its gift authority.

The Center may use appropriated funds to pay travel expenses for the student who is selected each year to receive the award at an appropriate ceremony.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Dollars in thousands]

	FTE positions	Amount
Fiscal year appropriation (Public Law 100-400)	425	\$34,664
Proposed fiscal year 1989 level	425	34,664
Changes Proposed for Fiscal Year 1990:		
Workload increases		919
Maintain current program levels		984
Reductions, nonrecurring costs and savings		(2,409)
Total fiscal year 1990 changes		(506)
Fiscal year 1990 President's budget	425	34,158

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

[Dollars in thousands]

	Change from proposed fiscal year 1989 levels	
	FTE positions	Amount
Workload increases: An increase is requested to fund more rapid replacement of training equipment		\$919
Maintain current program levels: An increase is requested for the costs of inflation and other uncontrollable increases (e.g., equipment, supplies) (0 FTE, \$813) and annualization of the FY 1989 pay comparability increase (0 FTE, \$171)		984
Reductions for nonrecurring costs and savings: A decrease is requested for nonrecurring costs of Permanent change of station moves		(2,409)

STAFFING

The Committee allows the 425 positions requested for 1990, the same number authorized in 1989.

FACILITIES, ACQUISITION AND RELATED EXPENSES

Appropriation, fiscal year 1989 to date	\$20,000,000
Budget estimate, fiscal year 1990	9,880,000
Recommended in the bill	9,880,000
Bill compared with:	
Appropriation, fiscal year 1989	-10,120,000
Budget estimate, fiscal year 1990	

The Committee recommends an appropriation of \$9,880,000, the full amount of the fiscal 1990 budget request, and a decrease of \$10,120,000 below fiscal year 1989.

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.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Dollars in thousands]

	FTE positions	Amount
Fiscal year 1989 appropriation (Public Law 100-440)		\$20,000
Proposed fiscal year 1989 level		20,000
Changes proposed for fiscal year 1990:		
Program increases		6,880
Reductions, nonrecurring costs and savings		(17,000)
Total fiscal year 1990 changes		(10,120)
Fiscal year 1990 President's budget		9,880

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

[Dollars in thousands]

	Change from proposed fiscal year 1989 levels
	FTE positions Amount
Proposed program increases: An increase is requested to fund construction of an additional dormitory (0 FTE, \$6,400) and increased building maintenance (0 FTE, \$480)	\$6,880
Reductions for nonrecurring costs and savings: A decrease is requested for nonrecurring construction costs of a driver training course (0 FTE, \$1,500), a firearms range (0 FTE, \$5,000), expanded physical training facilities (0 FTE, \$1,600), expansion of the cafeteria (0 FTE, \$1,300), dormitory preparations (0 FTE, \$600) and the new Artesia training center (0 FTE, \$7,000)	(17,000)

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 1989 to date	\$277,230,000
Budget estimate, fiscal year 1990	289,695,000
Recommended in the bill	289,695,000
Bill compared with:	
Appropriation, fiscal year 1989	+ 12,465,000
Budget estimate, fiscal year 1990	

The Committee recommends an appropriation of \$289,695,000, the full amount of the fiscal 1990 budget request, and an increase of \$12,465,000 above fiscal year 1989.

Financial operations—Field operations.—Payments are made through seven regional offices for Federal civilian agencies, except the U.S. Postal Service, the U.S. Marshals Service, and certain Government corporations. These disbursing services are provided

through the timely issuance of checks, letters of credit, and electronic funds transfer (EFT) payments. Field Operations is also responsible for prescribing Federal Government payment policy, for processing EFT claims, and for providing full field representation for other functional areas of the Service.

The total checks, savings bonds, and electronic funds transfer payments, and productivity relating to this function carried out by Field Operations follow:

WORKLOAD AND PRODUCTIVITY

(In thousands)

	1988 actual	1989 estimate	1990 estimate
Payments	751,735	759,866	771,442
Payments per employee	900	910	923

Also under this activity, the Federal Reserve Wire Transfer System (FEDWIRE) provides for the management and regulation of Federal funds movement resulting in savings to the Government as a whole as follows:

GOVERNMENT-WIDE USE AND SAVINGS

(In millions of dollars)

	1988 actual	1989 estimate	1990 estimate
Dollar value of message processed over FEDWIRE	335,800	355,000	375,000
Interest saved by using FEDWIRE	302	320	338

Headquarters operations.—This activity is responsible for the control and financial integrity of the Federal payments and collections processes, which includes conducting reconciliation, accounting, and claims activities. It adjudicates and settles claims against the United States resulting from instances in which Government checks have been forged, lost, stolen, destroyed, or mutilated, and collects monies from those parties having liability to the United States through fraudulent or otherwise improper negotiation of Government checks.

Claims inquiries and related productivity are as follows:

WORKLOAD AND PRODUCTIVITY

(In thousands)

	1988 actual	1989 estimate	1990 estimate
Claims and related requests processed	1,925	1,950	1,950
Claims processed per employee	6.10	6.63	6.63

General financial services.—This activity provides financial services for numerous accounts, including the two Social Security Trust Funds, the two Medicare Trust Funds, the Unemployment Trust Fund, the D.C. Government loan account, the Highway Trust Fund, the Airport and Airway Trust Fund, and the St. Lawrence Seaway

Toll Rebate Program. In addition, this activity provides for payment of domestic and international claims.

Federal finance.—This activity is involved in the efficient and effective management of the Government's cash flow, assets, and liabilities. Its responsibilities include: implementation and enhancements to a number of collection mechanisms; improvements in the Government's forecast of receipts, outlays, and balances; and credit management and debt collection efforts throughout the Government. It proposes legislation and develops regulations for the implementation of cash and credit management initiatives and provides assistance to agencies.

Federal tax deposit fee payments.—This activity oversees fee payments made to commercial depositories for Federal Tax Deposits processed under the Tax and Loan Investment Program, and Treasury in turn earns interest on funds held on deposit.

Information systems.—This activity is responsible for overseeing the development, implementation, improvement, and operation of information and financial management systems which support and promote sound money management in the Federal Government. It is responsible for automated data processing (ADP) operations and the associated computer support and services necessary to maintain the Service's internal and Government-wide systems. Specific functions include operating and maintaining all central facility computer systems and data communications mechanisms, scheduling and processing development and production workloads, installing and tuning operating system software, planning and coordinating hardware installations, providing user support services, and acquiring ADP and telecommunications equipment, software, services and supplies. It also supports a large number of developmental efforts to enhance the collections, payments, accounting, reporting, and resource management functions of the Service.

This activity includes the check payment and reconciliation operation with volume and related productivity as follows:

[In thousands]

	1988 actual	1989 estimate	1990 estimate
Checks paid and reconciled.....	570,705	577,068	577,068
Checks paid and reconciled per employee.....	2,804	3,081	3,081

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Dollars in thousands]

	FTE positions	Amount
Fiscal year 1989 appropriation (Public Law 100-440)	2,240	\$277,230
Proposed fiscal year level	2,240	277,230
Changes proposed for fiscal year 1990:		
Program increases	8	9,258
Maintain current program levels		15,517
Reductions, nonrecurring costs, and savings	(86)	(5,886)
Net transfers.....		(200)

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET—Continued

[Dollars in thousands]

	FTE positions	Amount
Program reductions.....		(6,224)
Total fiscal year 1990 changes.....	(78)	12,465
Fiscal year 1990 President's budget.....	2,162	289,695

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

[Dollars in thousands]

	Change from proposed fiscal year 1989 levels	
	FTE positions	Amount
Program initiatives: An increase is requested to fund third year development of System 90 (5 FTE, \$4,875), implementation of electronic certification (\$1,400), and improved financial information systems (3 FTE, \$1,050). Additional funds are requested for facilities modernization (0 FTE, \$1,683) and development of image processing system for checks (0 FTE, \$250).....	8	\$9,258
Maintain current program levels: An increase is requested for the costs of inflation, pay annualization, and other uncontrollable increases (e.g., benefits, check supplies, equipment) (\$8,307). The request also includes, for System 90, the restoration of base funding in fiscal year 1990, and funds for hardware acquisition, reprogrammed in fiscal year 1989 to cover the fiscal year 1988 postal rate increase (\$7,210).....		15,517
Reductions for nonrecurring costs and savings: A decrease is requested for nonrecurring costs, (e.g., contract support, furniture and equipment) (0 FTE, -4,232), and productivity savings (-86 FTE, -\$1,654).....	(86)	(5,886)
Net transfers: A decrease is requested for the transfer of funds for the Statutory Inspector General.....		(200)
Program reductions: A decrease is requested for a projected reduction in the volume of check payments (0 FTE, -\$3,224) and a phased reduction in Federal Tax Deposit fee payments through the TT&L program (0 FTE, -\$3,000).....		(6,224)

STAFFING

The Committee allows the 2,162 positions requested for 1990, a reduction of 78 below the 2,240 positions authorized in 1989.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

Appropriation, fiscal year 1989 to date.....	\$241,000,000
Budget estimate, fiscal year 1990.....	245,933,000
Recommended in the bill.....	245,933,000
Bill compared with:	
Appropriation, fiscal year 1989.....	+4,933,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$245,933,000, the full amount of the fiscal 1990 budget request, and an increase of \$4,933,000 above fiscal year 1989.

The Bureau of Alcohol, Tobacco and Firearms is responsible for the enforcement of the laws designed to eliminate certain illicit activities and to regulate lawful activities relating to distilled spirits, beer, wine and nonbeverage alcohol products, tobacco, firearms, and explosives.

Compliance operations.—This activity covers the regulation of: the alcohol and tobacco industries relating to revenue protection

and product and market integrity; the legal firearms industry through a system of licensing and compliance inspections; and the explosives industry through a license and permit system for manufacturers, dealers, and users of explosives. Effective July 1, 1987, this activity became responsible for the deposit and accounting for alcohol and tobacco excise taxes.

Law enforcement.—This activity covers the enforcement of: Federal laws relating to the liquor industry; Federal firearms statutes and Federal laws to suppress illegal use of explosives and illegal trafficking in explosives.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Dollars in thousands]

	FTE positions	Amount
Fiscal year 1989 appropriation (Public Law 100-440)	3,701	\$234,000
Anti-Drug Abuse Act (Public Law 100-690)		7,000
Proposed fiscal year 1989 level.....	3,701	241,000
Changes proposed for fiscal year 1990:		
Maintain current program levels		6,907
Reductions, nonrecurring costs, and savings	(157)	(11,257)
Net transfers.....	(147)	(9,517)
Total fiscal year 1990 changes.....	(304)	(13,867)
Fiscal year 1990 President's budget	3,397	227,133

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

[Dollars in thousands]

	Change from proposed fiscal year 1989 levels	
	FTE positions	Amount
Maintain current program levels: An increase is requested for the costs of inflation and other uncontrollable increases (e.g., benefits and equipment) (\$5,479), and an FY 1990 pay comparability increase (\$1,428).....		\$6,907
Reductions for nonrecurring costs and savings: A decrease is requested for nonrecurring costs (e.g., contract support and equipment) (-\$3,030), A-76 study savings (-27 FTE, -\$227) and reduction in the Alcohol Compliance Operations Program (-130 FTE, -\$8,000).....	(157)	(11,257)
Net transfers: A decrease is requested for a transfer to the Statutory Inspector General (-19 FTE, -\$905), and a transfer to the Department of Justice for the Organized Crime Drug Enforcement Task Force (-128 FTE, -\$8,612).....	(147)	(9,517)

FEDERAL ALCOHOL ADMINISTRATION

The Committee has continued the provision in the bill mandating funding enforcement of the Federal Alcohol Administration Act at a minimum level of \$15,000,000. This amount is the same as that which was appropriated for fiscal year 1989. The Committee believes that uniform enforcement of this Act can best be accomplished at the federal level. The capability of insuring compliance with the law varies greatly from state to state. The Committee be-

lieves the Bureau of Alcohol, Tobacco and Firearms, already in operation and staffed with experienced personnel, can more efficiently and economically enforce the federal alcohol laws of this country than the states would be able to do on an individual basis. Rather than require each state to establish laboratories and train personnel in this fairly complex area of law enforcement, the Committee directs that the Bureau continue to enforce the alcohol law at the same level it was enforced in prior years. The Committee is concerned about possible revenue losses which might result from a great reduction in personnel.

The Committee has provided funds for the alcohol program in 1990 at the same level as provided in 1989.

STAFFING

The Committee allows 3,701 positions requested in the amended budget request.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 1989 to date	\$1,033,911,000
Budget estimate, fiscal year 1990	1,031,490,000
Recommended in the bill.....	1,041,490,000
Bill compared with:	
Appropriation, fiscal year 1989	+\$7,579,000
Budget estimate, fiscal year 1990.....	+10,000,000

The Committee recommends an appropriation of \$1,041,490,000, an increase of \$10,000,000 above the budget request and \$7,579,000 above fiscal year 1989.

Inspection and control.—In enforcing the provisions of the Tariff Act of 1930, as amended, the Inspection and Control activity must: (1) stop the illegal entry of drugs and other prohibited items and enforce export laws while accommodating the law-abiding persons and cargo entering this country; and (2) augment selectivity of Customs inspectional enforcement programs through improved techniques and equipment.

Tactical interdiction.—Operating under the authority of titles 19 and 26, U.S. Code, the tactical interdiction program is directed at combating smuggling activity along our national borders by maintaining a highly mobile interdiction force which is proficient in land, sea, and certain air tactical enforcement operations.

Investigations.—This program is the investigative arm of the Customs Service involved in conducting criminal, civil, and fact-finding investigations of customs and related laws, including currency, fraud, neutrality, smuggling, and illegal exports of critical technology.

Commercial activities.—Commercial operations must: (1) enforce the provisions of the Tariff Act of 1930, as amended; (2) accommodate the growth of persons and cargo entering this country; (3) open new ports of entry and expand service at existing ports to meet the needs of the traveling and importing public; (4) collect lost revenue by conducting investigations of commercial fraud; (5) improve the efficiency of processing through better selectivity in document review and laboratory analysis; (6) continue the develop-

ment of automated systems; (7) improve the administration of post-audit techniques; (8) provide Customs field personnel and the public with timely, uniform, predictable, and useful rulings and interpretations and final administrative decisions; and (9) achieve maximum utilization of Customs resources with minimum disruption of international trade and travel.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Dollars in thousands]

	FTE positions	Amount
Fiscal year 1989 appropriation (Public Law 100-440)	16,739	\$1,025,411
Anti-Drug Abuse Act (Public Law 100-690)		8,500
Proposed fiscal year 1989 level	16,739	1,033,911
Changes proposed for fiscal year 1990:		
Program increases	396	26,000
Maintain current program levels		20,418
Reductions, nonrecurring costs and savings	(396)	(32,893)
Net transfers	(317)	(19,642)
Program reductions		(6,304)
Total fiscal year 1990 changes	(317)	(12,421)
Fiscal year 1990 President's budget	16,422	1,021,490

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

[Dollars in thousands]

	Change from proposed fiscal year 1989 levels	
	FTE positions	Amount
Program increases: An increase is requested to fund initiatives for increased contraband examinations of high-risk cargo (396 FTE, \$21,000) and hardware purchases for an automated enforcement information system (0 FTE, \$5,000)		
Maintain current program levels: An increase is requested for the costs of inflation and other uncontrollable increases (e.g., equipment, supplies) (\$14,114) and annualization of the fiscal year 1989 pay comparability increase (\$6,304)		\$20,418
Reductions for nonrecurring costs and savings: A decrease is requested for nonrecurring costs, (e.g., Automated Commercial System and drug bill equipment purchases) (0 FTE, -\$18,549), productivity savings attributable to the Automated Commercial System (-140 FTE, -\$5,588), savings from A-76 studies to be conducted (-129 FTE, -\$1,097) and a shortfall in use of the fiscal year 1989 staffing add-on (-127 FTE, -\$7,659)	(396)	(32,893)
Net transfers: A decrease is requested for the net effect of transfers to the new Statutory Inspector General (-91 FTE, -\$5,642), to the new Organized Crime Drug Enforcement Task Force account (-226 FTE, -\$14,461) and from the State Department for Foreign Affairs administrative support (0 FTE \$461)	(317)	(19,642)
Program reductions: A decrease is requested to offset the annualization of the January 1989 pay increase		(6,304)

CANADIAN PRECLEARANCE

The Customs Service has advised the Committee that it intends to dramatically reduce the number of Customs staff responsible for preclearance of flights from Canada. In FY 1990, the Customs Serv-

ice expects that staff responsible for preclearance of Canadian flights will constitute only 22 percent of its FY 1988 level.

The Committee is concerned about whether adequate staff will remain to process the growing number of Canadian departures. When questioned on the agency's ability to provide preclearance service to new flights from Canada, the Commissioner of Customs reported that every effort will be made to serve new traffic, subject to the availability of inspectors and provided that the overtime cap is not jeopardized. Given the fact that half of the Canadian gateways will have as few as two inspectors providing preclearance services, the proposed reductions create the very real possibility that inspectors will no longer be available or that the limited number of inspectors at a given location will have reached the overtime cap.

Because of these concerns, the Committee expects the General Accounting Office to investigate the Canadian preclearance program to determine, among other things, whether the proposed reductions will result in: 1) passenger backlogs, 2) reduced levels of inspection and enforcement, or 3) any inability to provide preclearance inspection for new flights from Canada bound for the U.S. The GAO shall report to the Committee by March 1, 1990 so that this issue can be examined in the context of the FY 1991 budget hearings.

INTERNATIONAL AIRPORTS

The Committee is concerned that several international airports are not receiving adequate Customs support. The lack of such support impacts adversely on the ability of such airports to accommodate international air travellers as well as to support the businesses located in such cities.

It is requested that the Customs Service review the requirements at San Jose, California International Airport and the Orlando, Florida International Airport, and make every effort to provide adequate Customs support.

HONOLULU INTERNATIONAL AIRPORT

The Customs Service has reported that international arrivals at Honolulu International Airport grew by 36 percent during the period of October 1, 1987 to March 31, 1989. Over the same period, however, the number of full-time Customs Inspectors serving Honolulu International Airport has decreased. This dramatic increase in arrivals has created severe problems for the already overworked Honolulu Customs staff.

In light of the importance of international tourism to Hawaii's economy, the Committee expects the Customs Service to assign 24 additional inspectors to Honolulu International Airport. These inspectors shall be in addition to the number of full-time inspectors performing passenger inspection and control activities at the airport. The Committee has also increased the amount available for part-time and temporary positions in the Honolulu Customs District from \$300,000 to \$500,000. Both actions are intended to enhance and not supplant current staff levels.

OPERATION EXODUS

The Committee has included all of the funds requested for the continuation of Operation EXODUS. Over the past several years, the Soviet Union and her allies have undertaken a major coordinated effort to obtain sophisticated U.S. manufactured or designed high technology items to enhance their own economic and defense capabilities. The rapid exportation of sophisticated strategic defense items, smuggled out of the country by clandestine and fraudulent means, poses a national security threat to this country and our allies. The funding requested by the Administration and recommended by the Committee will allow the Customs Service to aggressively counter this threat by utilizing integrated enforcement teams at specific ports of exportation of high and critical technology to the Soviet Union and other communist block countries.

STUDY OF A NEW PORT OF ENTRY BETWEEN SAN DIEGO, CALIFORNIA
AND TIJUANA, MEXICO

The existing San Diego border crossings at San Ysidro and Otay Mesa are currently operating at full capacity and passenger, pedestrian and commercial traffic will continue to increase at a rapid pace for the foreseeable future. The Committee continues to be concerned over the heavy volume of traffic at the main port of entry at San Ysidro, which is the busiest land border crossing in the world.

In view of the projected traffic growth, it would be prudent to formally examine the possibility of adding an additional port of entry in this area. Because of the heavy tourist traffic to and from Tijuana, Mexico, the area near the Pacific coast known as Playas de Tijuana has been suggested as a site for a new border crossing. This area is west of the current port of entry at San Ysidro and would relieve congestion at that point by providing direct access between San Diego and the popular business and tourist areas of Tijuana and Ensenada. The U.S. Consul General in Tijuana, his Mexican counterpart in San Diego and San Diego local officials have expressed support for a port of entry in the Playas de Tijuana area.

The Committee directs the U.S. Customs Service and G.S.A. to begin a formal study of the Playas de Tijuana port of entry proposal. All U.S. agencies with border responsibilities should be consulted, as well as Mexican and local officials in the San Diego area. Customs and GSA should keep the Committee informed of developments on this issue and be prepared to discuss it in detail during their FY 1991 budget presentations.

STAFFING

The Committee has established a floor of 16,600 permanent full-time positions for FY 1990. This takes into consideration the transfers during FY 1989 of 92 positions to the Treasury Inspector General and 207 positions to the Justice Department for the organized crime program. The effect of these transfers would reduce the floor of 16,739 positions established in the FY 1989 bill to 16,440.

The Committee has added \$10,000,000 to the bill in order for the Service to reach and maintain the new floor of 16,600.

OPERATIONS AND MAINTENANCE, AIR INTERDICTION PROGRAM

Appropriation, fiscal year 1989 to date	\$149,262,000
Budget estimate, fiscal year 1990	128,128,000
Recommended in the bill.....	125,128,000
Bill compared with:	
Appropriation, fiscal year 1989	- 24,134,000
Budget estimate, fiscal year 1990.....	- 3,000,000

The Committee recommends an appropriation of \$125,128,000, a reduction of \$3,000,000 below the fiscal 1990 budget request, and a reduction of \$24,134,000 below fiscal year 1989.

The Customs Air Interdiction Program combats the illegal entry of narcotics and other goods into the United States. This appropriation provides capital procurement and total operations and maintenance for the Customs air program.

MACHINE-READABLE DOCUMENTS PROGRAM

Of the amount provided, not to exceed \$7,020,000 shall be available for the Machine-Readable Document Border Security Program. This will enable the Customs Service to work with the State Department and the Immigration and Naturalization Service in implementing the comprehensive, automated data system for machine-readable travel and identity documents.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Dollars in thousands]

	FTE positions	Amount
Fiscal year 1989 appropriation (Public Law 100-440)		\$142,262
Anti-Drug Abuse Act (Public Law 100-690)		7,000
Proposed fiscal year 1989 level.....		149,262
Changes proposed for fiscal year 1990:		
Program increases		28,158
Maintain current program levels		1,967
Reductions, nonrecurring costs and savings		(40,859)
Net transfers.....		(10,400)
Total fiscal year 1990 changes		(21,134)
Fiscal year 1990 President's budget		128,128

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

[Dollars in thousands]

	Change from proposed fiscal year 1989 levels	
	FTE positions	Amount
Program increases: An increase is requested to fund initiatives for radar spare parts for P3 aircraft (0 FTE, \$800) and Citation aircraft (0 FTE, \$1,100). Increases are also requested to provide operating funds for new aerostats (0 FTE, \$19,917), additional operating funds for helicopters (0 FTE, \$6,176) and additional maintenance funding for the Albuquerque hangar (0 FTE, \$165)		28,158
Maintain current program levels: An increase is requested for the costs of inflation and other uncontrollable increases (e.g., equipment, supplies)		1,967

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES—Continued

[Dollars in thousands]

	Change from proposed fiscal year 1989 levels	
	FTE positions	Amount
Reductions for nonrecurring costs and savings: A decrease is requested for nonrecurring costs of Citation aircraft modification (0 FTE, —\$9,045), radar sensor spare parts (0 FTE, —\$6,434), over-the-horizon radar (0 FTE, —\$14,800), Albuquerque hangar construction (0 FTE, —\$3,580) and drug bill equipment purchases (0 FTE, —\$7,000).....		(40, 859)
Net transfers: A decrease is requested for the transfer of operating costs for two E2C aircraft to the Coast Guard.....		(10,400)

MODIFICATION OF AIRCRAFT

The Committee directs the U.S. Customs Service to proceed with the retrofit and modification of an existing P-3A surveillance aircraft with an airborne early warning (AEW) configuration in fiscal year 1990. This action will bring the total Customs Service P-3/AEW fleet to three (3) and will be a valuable augmentation of the new Department of Defense role in drug interdiction.

A June, 1989 General Accounting Office report on the Customs P-3B/AEW aircraft gave this important surveillance platform high marks for its cost-effectiveness; its capabilities for the long-range Customs air interdiction mission; and for its success in meeting both cost and delivery schedules. Even with the Department of Defense assuming a lead role in providing surveillance support to the Customs Service and the Coast Guard, the Committee believes that Customs should proceed immediately with the implementation of its four-aircraft fleet of P-3/AEWs and fully fund the third P-3/AEW in fiscal year 1990. The four-aircraft fleet of P-3 aircraft will give Customs a small but effective number of long-range aircraft to carry out the Defense-in-Depth air and marine interdiction strategy that was adopted and implemented during the past year. Furthermore, with Department of Defense resources becoming more and more scarce in a year of rigid budget constraints, it is more important than ever that Customs sustain its own small fleet of highly sophisticated, proven surveillance assets to meet the narcotics air and marine threat at the coast of the drug source countries and along our vulnerable southern borders.

Therefore, the Committee directs the Customs Service to provide sufficient funds within the total amount available under this account, to proceed with the third P-3/AEW platform and to report regularly to the Committee on its progress in this important element of its anti-drug efforts.

CUSTOMS FORFEITURE FUND

LIMITATION ON AVAILABILITY OF DEPOSITS

Appropriation, fiscal year 1989 to date	\$10,000,000
Budget estimate, fiscal year 1990	10,000,000
Recommended in the bill.....	10,000,000
Bill compared with:	
Appropriation, fiscal year 1989	
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$10,000,000, the full amount of the fiscal 1990 budget request.

Public Law 100-640 authorized Customs to establish a Customs Forfeiture Fund. Seized and forfeited currency and any proceeds beyond the expenses of seizure, and forfeiture of merchandise are deposited into this account. Use of these funds is limited to the following:

- (1) all proper expenses of the seizure (including investigative costs incurred by the United States Customs Service leading to seizures) or the proceedings of forfeiture and sale, including, but not limited to, the expenses of inventory, security, and maintenance of custody of the property, advertisement and sale of the property, and if condemned by the court and a bond for such costs was not given, the costs as taxed by the court;
- (2) awards of compensation to informers under section 619;
- (3) satisfaction of liens for freight, charges, and contributions in general average, notice of which has been filed with the appropriate customs officer according to law, and other liens against forfeited property;
- (4) amounts authorized by law with respect to remission and mitigation;
- (5) claims of parties in interest to property disposed in the amounts applicable to such claims at the time of seizure;
- (6) purchases by the United States Customs Service of evidence of smuggling of controlled substances, and violations of the currency and foreign transaction reporting requirements of chapter 51 of title 31, United States Code, if there is a substantial probability that the violations of these requirements are related to the smuggling of controlled substances;
- (7) equipment for any vessel, vehicle, or aircraft available for official use by the United States Customs Service to enable the vessel, vehicle, or aircraft to assist in law enforcement functions;
- (8) the reimbursement, at the discretion of the Secretary, of private persons for expenses incurred by such persons in cooperating with the United States Customs Service in investigations and undercover law enforcement operations;
- (9) publication of the availability of awards under section 619;
- (10) equipment for any vessel, vehicle, or aircraft available for official use by a State or local law enforcement agency to enable the vessel, vehicle, or aircraft to assist in law enforcement functions if the conveyance will be used in joint law enforcement operations with the United States Customs Service; and
- (11) payment of overtime salaries, travel, fuel, training, equipment, and other similar costs of State and local law enforcement officers that are incurred in joint law enforcement operations with the United States Customs Service.

ANALYSIS IS FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Dollars in thousands]

	FTE positions	Amount
Fiscal year 1989 Appropriation (Public Law 100-440)		\$10,000
Proposed fiscal year 1989 level.....		10,000
Fiscal year 1990 President's budget		10,000

CUSTOMS SERVICES AT SMALL AIRPORTS

TO BE DERIVED FROM FEES COLLECTED

Appropriation, fiscal year 1989 to date	\$1,588,000
Budget estimate, fiscal year 1990	1,588,000
Recommended in the bill.....	1,588,000
Bill compared with:	
Appropriation, fiscal year 1989	
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$1,588,000, the full amount of the fiscal 1990 budget request.

Customs charges user fees at certain small airports where the volume or value of business is insufficient to justify the availability of Customs services. The funds generated from these user fees are applied to expenditures incurred in providing Customs services at each of these designated small airports.

The Customs Service is requested to review the requirements for Customs services at small airports as authorized by Section 236 of Public Law 98-573 and report to the Committee.

Customs is urged to make every effort to provide adequate service to these small airports.

[Dollars in thousands]

	FTE positions	Amount
Fiscal year appropriation (Public Law 100-440)	22	\$1,588
Proposed fiscal year 1989 level.....	22	1,558
Fiscal year 1990 President's budget	22	1,588

STAFFING

The Committee allows the 22 positions requested for 1990, the same number authorized in 1989.

UNITED STATES MINT

SALARIES AND EXPENSES

Appropriation, fiscal year 1989 to date	\$47,000,000
Budget estimate, fiscal year 1990	50,735,000
Recommended in the bill.....	50,735,000

Bill compared with:	
Appropriation, fiscal year 1989	+ 3,735,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$50,735,000, the full amount of the fiscal 1990 budget request, and an increase of \$3,735,000 above fiscal year 1989.

The United States Mint manufactures coins, receives deposits of gold and silver bullion, and safeguards the Government's holdings of monetary metals.

Manufacture of coins (domestic).—Production of coins is the major Mint activity. Funds requested for 1990 will permit production of approximately 19.5 billion coins. This activity also funds the deposits and issues of monetary metals and coins.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

(Dollars in thousands)

	FTE positions	Amount
Fiscal year 1989 appropriation (Public Law 100-440)	901	\$47,000
Proposed fiscal year 1989 level.....	901	47,000
Changes proposed for fiscal year 1990:		
Program increases	60	4,181
Maintain current program levels		1,729
Reductions, nonrecurring costs, and savings	(73)	(1,808)
Net transfers.....		(36)
Program reductions.....		(331)
Total fiscal year 1990 changes.....	(13)	3,735
Fiscal year 1990 president's budget	888	50,735

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

(Dollars in thousands)

	Change from proposed fiscal year 1989 levels	
	FTE positions	Amount
Program increases are: Increases requested for increased production of 1.5 billion coins (56 FTE, \$1,505) replacement of worn-out and obsolete equipment (0 FTE, \$1,935) asbestos removal (0 FTE, \$385) buildings and improvements (0 FTE, \$200) engineering and support personnel (4 FTE, \$131) and protection of monetary assets (0 FTE, \$25).....	60	\$4,181
Maintain current program levels: An increase is requested for the costs of inflation (e.g., benefits, supplies, contracts, equipment) (\$1,193) and annualization of the January 1989 pay increase (\$536)		1,729
Reductions for nonrecurring costs and savings: A decrease is requested for productivity savings (-8 FTE, -\$226) savings associated with an A-76 Security study (-63 FTE, -\$537) and other A-76 studies (-2 FTE, -\$380) and research and development costs (0 FTE, -\$665)	(73)	(1,808)
Net transfers: The Mint is transferring funds to the Statutory Inspector General.....		(36)
Program reductions: Reductions will be taken in the Equipment Activity to offset the annualization of the January 1989 pay increase.....		(331)

STAFFING

The Committee allows the 888 positions requested for 1990, a reduction of 13 below the 901 positions authorized in 1989.

BUREAU OF THE PUBLIC DEBT

Appropriation, fiscal year 1989 to date	\$219,430,000
Budget estimate, fiscal year 1990	244,316,000
Recommended in the bill.....	219,430,000
Bill compared with:	
Appropriation, fiscal year 1989	
Budget estimate, fiscal year 1990.....	-24,886,000

The Committee recommends an appropriation of \$219,430,000, a reduction of \$24,886,000 below the fiscal 1990 budget request, and the same amount appropriated for 1989.

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

Processing and accounting for:

Savings securities.—This activity is concerned with the issuance, servicing, and retirement of savings bonds and notes and retirement-type securities, including: (1) the maintenance and servicing of individual accounts of owners of series H and HH bonds and the authorization of interest payments; and (2) the maintenance of accounting control over financial transactions, securities transactions and accountability, and interest costs. These functions are performed directly by the Bureau of the Public Debt, by the Federal Reserve Banks as fiscal agents of the United States, and by the 44,000 qualified agents which issue and redeem savings bonds and notes.

U.S. SAVINGS-TYPE SECURITIES

[Number of pieces, in thousands]

	1988 actual	1989 estimate	1990 estimate
Issues:			
Sales	95,120	100,000	109,000
Reissues and claims.....	12,813	7,200	7,200
Total	107,933	107,200	116,200
Retirements:			
Redemptions.....	59,411	62,000	62,000
Reissues, claims and spoils.....	8,505	7,000	7,000
Total	67,916	69,000	69,000

Marketable and special securities.—This activity is concerned with all securities of the United States, other than savings and retirement securities, including securities of Government corporations for which the Bureau of the Public Debt provides services. Functions performed relate to the issuance, servicing, and retirement of these securities, both directly by the Bureau and through the Federal Reserve Banks, as fiscal agents, including: (1) The maintenance and servicing of individual accounts of owners of registered securities and book-entry Treas-

ury bills; (2) the authorization of interest and principal payments; and (3) the maintenance of accounting control over financial transactions, securities transactions and accountability, and interest cost. Budget policy supports moving toward full reimbursement of Federal Reserve Banks for their fiscal agent services.

Promoting the sale of savings bonds.—This activity consists of sales promotion efforts, using press, radio, other advertising media, and organized groups, augmented by concentrated sales campaigns emphasizing payroll savings plans. These functions are performed by the U.S. Savings Bonds Division, a separate organization within the Department of the Treasury.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Dollars in thousands]

	FTE positions	Amount
Fiscal year 1989 appropriation (Public Law 100-440)	1,956	\$200,550
Transfer to National Economic Commission		(700)
Proposed fiscal year 1989 level	1,956	199,850
Changes proposed for fiscal year 1990:		
Program increases	18	25,335
Workload increase	4	4,600
Maintain current program levels		5,725
Reductions, nonrecurring costs, and savings	(9)	(4,429)
Net transfers	(2)	(223)
Program reductions		(5,546)
Total fiscal year 1990 changes	11	25,462
Fiscal year 1990 President's budget	1,967	225,312

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

[Dollars in thousands]

	Change from proposed fiscal year 1989 levels	
	FTE positions	Amount
Program increases: Increases are requested to fund new and improved systems that provide investor services (e.g., for savings bonds and state and local government securities), (18 FTE, \$1,925) and to fully reimburse the Federal Reserve Banks for services performed for the Bureau (0 FTE, \$23,410)	18	\$25,335
Workload increase: An increase is requested to handle anticipated sales of college savings bonds	4	4,600
Maintain current program levels: An increase is requested for the costs of inflation, pay annualization, and other uncontrollable increases (e.g., benefits, contracts, equipment)		5,725
Reductions for nonrecurring costs and savings: A decrease is requested for nonrecurring costs (e.g., ADP equipment) (0 FTE, -\$211), and productivity savings from EZ Clear and A-76 (-9 FTE, -\$4,218)	(9)	(4,429)
Net transfers: A decrease is requested for the transfer of funds for the Statutory Inspector General	(2)	(223)
Program reductions: A decrease is requested to reflect revised savings bonds workload projections for fiscal year 1990 (0 FTE, -\$5,000) and pay-related program reductions to the marketable and savings securities programs (0 FTE, -\$546)		(5,546)

REDUCTION IN PAYMENTS TO FEDERAL RESERVE BANKS

The Committee has disallowed, without prejudice, the \$24,886,000 requested for payment to the Federal Reserve Banks.

STAFFING

The Committee allows the 1,967 positions requested for 1990, an increase of 11 over the 1,956 positions authorized in 1989.

SAVINGS BONDS DIVISION

ADMINISTERING THE PUBLIC DEBT

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Dollars in thousands]

	FTE positions	Amount
Fiscal year 1989 appropriation (Public Law 100-440)	260	\$18,880
Proposed fiscal year 1989 level	260	18,880
Changes proposed for fiscal year 1990:		
Maintain current program levels		641
Reductions, nonrecurring costs, and savings	(1)	(171)
Program reductions	(7)	(346)
Total fiscal year 1990 changes	(8)	124
Fiscal year 1990 President's Budget	252	19,004

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

[Dollars in thousands]

	Change from proposed fiscal year 1989 levels	
	FTE positions	Amount
Maintain current program levels: An increase is requested for the costs of inflation, pay annualization, and other uncontrollable increases (e.g., benefits, contracts, services) (\$641)		\$641
Reductions for nonrecurring costs and savings: A decrease is requested for A-76 productivity savings	(1)	(171)
Program reductions: A decrease is requested for a reduction in sales promotion staff (-7 FTE, -\$235) and for pay-related reductions in the sales program (0 FTE, -\$111)	(7)	(346)

STAFFING

The Committee allows the 252 positions requested for 1990, a reduction of 8 below the 260 positions authorized in 1989.

INTERNAL REVENUE SERVICE

Appropriation, fiscal year 1989 to date	\$5,194,880,000
Budget estimate, fiscal year 1990	5,542,495,000
Recommended in the bill	5,557,381,000
Bill compared with:	
Appropriation, fiscal year 1989	362,501,000
Budget estimate, fiscal year 1990	+14,886,000

The Committee recommends an appropriation of \$5,557,381,000, an increase of \$14,886,000 over the fiscal year 1990 budget request and an increase of \$362,501,000 over the authorized level for fiscal year 1989.

The Internal Revenue Service (IRS) is responsible for administering and enforcing the internal revenue laws and related statutes, except those relating to alcohol, tobacco, firearms, and explosives. The IRS mission is to collect the proper amount of tax revenue at the least cost to the public, and in a manner that warrants the highest degree of public confidence in our integrity, efficiency, and fairness. To achieve that purpose, IRS will encourage and achieve the highest possible degree of voluntary compliance in accordance with the tax laws and regulations; advise the public of their rights and responsibilities; determine the extent of compliance and the causes of noncompliance; do all things needed for the proper administration and enforcement of the tax laws; continually search for and implement new, more efficient ways of accomplishing our mission.

Basic IRS activities include ensuring satisfactory resolution of taxpayer complaints, providing taxpayer service and education; determination, assessment and collection of internal revenue taxes; determination of pension plan qualifications and exempt organization status; and preparation and issuance of rulings and regulations to supplement the provisions of the Internal Revenue Code. The source of most revenues collected is the individual income tax and the social insurance and retirement taxes, with other major sources being the corporation income, excise, estate, and gift taxes.

SUMMARY OF APPROPRIATIONS

[Dollars in thousands]

	Authorized level fiscal year 1989		Budget request fiscal year 1990		Total changes	
	Positions	Amount	Positions	Amount	FTE positions	Amount
Salaries and expenses.....	1,608	87,542	975	72,382	(633)	(15,160)
Processing tax returns.....	35,874	1,763,110	37,449	1,940,640	1,575	177,530
Examination and appeals.....	42,172	1,868,801	41,829	1,898,515	(343)	29,714
Investigation, collection and taxpayer service.....	33,404	1,475,427	34,857	1,572,482	1,453	97,055
Total appropriation, authorized level and budget estimate.....	113,058	5,194,880	115,110	5,484,019	2,052	289,139

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Dollars in thousands]

	FTE positions	Amount
Fiscal year 1989 appropriation (Public Law 100-440).....	113,811	\$5,194,880
Staffing reduction to support pay raise.....	(753)	
Proposed fiscal year 1989 level.....	113,058	5,194,880
Changes proposed for fiscal year 1990:		
Proposed program increases.....	3,225	230,080
Workload increase.....	845	37,426
Maintain current program levels.....	1,011	190,023

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET—Continued

[Dollars in thousands]

	FTE positions	Amount
Reductions, nonrecurring costs and savings	(2,764)	(153,409)
Net transfers.....	(265)	(14,981)
Total fiscal year 1990 changes	2,052	289,139
Fiscal year 1990 President's budget	115,110	5,484,019

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

[Dollars in thousands]

	Change from proposed fiscal year 1989 levels	
	FTE positions	Amount
Program increases: Includes improvements to returns processing (251 FTE, \$9,913), including wage report analysis, more taxpayer service support (1,300 FTE, \$55,882), tax enforcement enhancements (1,380 FTE, \$55,948), improved internal investigation and research capability (34 FTE, \$5,994), and modernizing computerized information systems, especially in tax system redesign (260 FTE, \$102,343).....	3,225	\$230,080
Workload increase: Processing 5.2 million more tax returns and 0.8 million more supplemental documents, handling more tax forms and data requirements resulting from tax reform.....	845	37,426
Maintain current program levels: An increase is requested for the costs of inflation, project annualizations, and other uncontrollable increases (e.g., benefits, contracts, equipment) (1,011 FTE, \$108,324) and completion of funding for the FY 1989 pay comparability increase (0 FTE, \$81,699)	1,011	\$190,023
Reductions for nonrecurring costs and savings: A decrease is requested for nonrecurring costs and discontinued projects, primarily in automated systems (-959 FTE and -\$132,793), contracted-out work and productivity savings (-1,805 FTE and -\$20,616).....	(2,764)	(153,409)
Transfers: To Justice Department (-260 FTE, -\$14,413 to Organized Crime and Drug Enforcement Task Force), to Treasury Inspector General (-5 FTE, -\$308) to Census Bureau (0 FTE, -\$585); and from State Department (0 FTE and \$325).....	(265)	(14,981)

INTERNAL REVENUE SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 1989 to date	\$87,165,000
Budget estimate, fiscal year 1990	72,382,000
Recommended in the bill.....	72,382,000
Bill compared with:	
Appropriation, fiscal year 1989	-14,783,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$72,382,000, the full amount of the fiscal 1990 budget request, and a decrease of \$14,783,000 below fiscal year 1989.

This appropriation provides for overall planning, direction and management of the Internal Revenue Service.

Executive direction.—This activity sets policies and goals, provides the research and planning necessary for sound and effective tax administration, and provides leadership and direction for the Service.

Management services.—This activity provides Servicewide policy guidance for managing the human, logistical, and financial resources needed to fulfill the Service's tax administration mission in a cost effective manner while complying with relevant public laws and administrative procedures.

OVERALL STAFFING

The Committee allows the total number of positions requested for 1990 for the Service, as well as any additional positions associated with the budget amendment dated July 10, 1989 (H. Doc. 101-78) and funds added by the Committee.

PROCESSING TAX RETURNS

Appropriation, fiscal year 1989 to date	\$1,740,353,000
Budget estimate, fiscal year 1990.....	1,946,003,000
Recommended in the bill.....	1,953,446,000
Bill compared with:	
Appropriation, fiscal year 1989	+219,093,000
Budget estimate, fiscal year 1990.....	+7,443,000

The Committee recommends an appropriation of \$1,953,446,000, an increase of \$7,443,000 above the fiscal 1990 budget request, and an increase of \$219,093,000 above fiscal year 1989.

This appropriation provides for processing tax returns and related documents, and maintaining accurate, current taxpayer accounts by means of an automated system.

Returns processing and revenue accounting.—This activity provides for all actions associated with the mailing of tax return forms and instructions, receipt of completed returns and payments, deposit of those payments, processing and accounting for revenue collections and Federal Tax Deposits and verification of the accuracy of information provided by the taxpayer through an automated master file system. It provides for payment of refunds, offset of refunds against delinquent accounts, issuance of notices that payments are overdue, identification of possible nonfilers for investigation, and assistance in the selection of tax returns for audit. This activity also prepares statistical information.

Computer services.—This activity provides information systems support, including telecommunications, to process tax returns, maintain account records, and aid tax enforcement and productivity management. It provides for an integrated Automated Master File System which verifies the accuracy of information provided by the taxpayer as well as systems security measures to retain the integrity of the system. In addition, this activity supports personnel and payroll systems.

EXAMINATIONS AND APPEALS

Appropriation, fiscal year 1989 to date	1,911,301,000
Budget estimate, fiscal year 1990	1,911,301,000
Recommended in the bill.....	1,911,301,000
Bill compared with:	
Appropriation, fiscal year 1989	—21,140,000
Budget estimate, fiscal year 1990.....	.....

The Committee recommends an appropriation of \$1,911,301,000, the full amount of the fiscal 1990 budget request, and a decrease of \$21,140,000 below fiscal year 1989.

This appropriation provides for the examination of tax returns, both domestic and international, and the administrative settlement of taxpayer appeals of examination findings. Funds are requested to continue the Service's ability to ensure evenhanded application and adequate enforcement of the tax laws and to maintain a satisfactory rate of voluntary compliance with the internal revenue laws. It also provides for monitoring employee pension plans, determining qualifications of organizations seeking tax-exempt status, and examining tax returns of exempt organizations.

Examination.—This activity encourages voluntary compliance with the internal revenue laws through the determination of correct tax liability by the selective examination of tax returns, the correction of errors, and explanation of these corrections to taxpayers.

Appeals and tax litigation.—The appeals portion of this authority provides for an independent administrative review of contested tax assessments and adjustments with the objective of settling tax controversies without litigation. When settlement is not possible, the tax litigation portion of the activity provides for the handling of Tax Court litigation and for the coordination of the Service's legal position to ensure consistency.

Employee plans and exempt organizations.—This activity monitors private pension plans to ensure compliance with the Employee Retirement Income Security Act of 1974, as amended. Organizations apply for tax-exempt status, which is determined by this activity, through the application of certain tests. By examining tax returns of tax-exempt organizations, it monitors and ensures compliance with current tax laws regarding tax-exempt organizations.

International.—This activity directs the full range of IRS enforcement and assistance programs related to U.S. taxpayers doing business or residing outside the United States as well as non-resident aliens with a U.S. tax obligation; provides technical tax training and administrative assistance to foreign governments; works with States on exchange of information and other programs of mutual benefit; provides compliance and taxpayer service support to Puerto Rico, the Virgin Islands and certain Pacific Island jurisdictions; and manages activities related to tax treaties between the United States and other governments. The International Counsel function identifies and resolves international tax issues; provides timely guidance to the field through both routine program assistance to the Assistant Commissioner (International) and to district counsel and international examiners with respect to specific cases and issues; and provides timely guidance to taxpayers and tax practitioners through the rulings and regulations program.

The Committee emphasizes again that the country's self-assessment system of taxation depends for its success on voluntary compliance, the willingness of taxpayers to access their own tax correctly. Noncompliance with tax laws takes several forms. Some taxpayers simply fail to file returns. Others file but do not report all their income. Many taxpayers claim deductions, credits or exemptions to which they are not entitled, and a significant number of

people who owe taxes do not file tax returns at all. Noncompliance, willful or otherwise, means billions of dollars which should be but are not part of the Government's annual tax receipts. It also represents inequity, for the many who comply must shoulder the burden of the few who do not. Adequate, evenhanded IRS enforcement is vital to the public's confidence that the Government is administering the tax laws fairly and equitably. The Committee is particularly concerned about the non-filer problem. General Accounting Office and Internal Revenue Service reports indicate that a substantial and growing number of citizens are either not reporting income or vastly under-reporting income. The so-called "underground" or "cash" economy represents a significant threat to the tax collection efforts of the Service.

The Internal Revenue Service has testified that for every dollar spent in this activity, many additional dollars of revenue would be collected. In addition, Internal Revenue Service personnel contact many other people during the course of audits, collections and investigations which serve to remind other taxpayers that failure to pay the proper amount of taxes owed results in positive action against the violator by the Service. The positive effect on voluntary compliance is difficult to measure but is probably very significant. The Service cannot allow the tax collection process to become a lottery where dishonest taxpayers can take a chance on either not filing or filing incorrect returns with the knowledge that the chances are that they either won't be caught or that if they are caught nothing will be done to them. If that situation is ever allowed to occur then the honest taxpayers will be losers.

INVESTIGATION, COLLECTION, AND TAXPAYER SERVICE

Appropriation, fiscal year 1989 to date	\$1,434,921,000
Budget estimate, fiscal year 1990	1,612,809,000
Recommended in the bill.....	1,620,252,000
Bill compared with:	
Appropriation, fiscal year 1989	+185,331,000
Budget estimate, fiscal year 1990.....	+7,443,000

The Committee recommends an appropriation of \$1,620,252,000, an increase of \$7,443,000 above the fiscal 1990 budget request, and an increase of \$185,331,000 above fiscal year 1989.

This appropriation provides for enforcing statutes relating to detection and investigation of criminal violations of the Internal Revenue laws, collecting unpaid accounts, securing unfiled tax returns and payments, providing assistance to taxpayers and preparing technical rulings.

Tax fraud investigations.—This activity provides for enforcement of the criminal statutes relating to violations of Internal Revenue laws. It investigates cases of suspected intent to defraud, recommends prosecution as warranted, and assists in the preparation and trial of criminal tax cases.

Collection.—This activity collects unpaid accounts and secures delinquent returns; develops and implements programs to prevent accounts from becoming delinquent and prevents nonfiling; and determines and analyzes the reasons for and the types of nonfiling.

Taxpayer service.—This activity aids voluntary compliance with Federal tax laws by informing taxpayers of their responsibilities

and by providing services and information through various media which assist them in meeting their obligations. Inquiries concerning tax laws, IRS notices and procedures, and tax account problems are resolved.

Enforcement, litigation, and technical.—This activity provides legal advice and assistance to field enforcement activities, furnishes non-tax legal services and provides legal expertise in the issuance of ruling letters; technical advice; publication of revenue rulings and revenue procedures; review of legislation; interpretation of statutes and drafting of regulations.

CRIMINAL INVESTIGATION DIVISION

The Committee is aware that the Criminal Investigations Division is critical to the effective operation of the Organized Crime and Drug Enforcement Task Forces and the interdiction of narcotics. The Committee is concerned that this Division has suffered reductions and directs the Commissioner to fully fund this Division within the funds provided.

UNITED STATES SECRET SERVICE

Appropriation, fiscal year 1989 to date	\$357,500,000
Budget estimate, fiscal year 1990	368,401,000
Recommended in the bill.....	371,401,000
Bill compared with:	
Appropriation, fiscal year 1989	+13,901,000
Budget estimate, fiscal year 1990.....	+3,000,000

The Committee recommends an appropriation of \$371,401,000, an increase of \$3,000,000 above the fiscal 1990 budget request, and an increase of \$13,901,000 above fiscal year 1989.

The Secret Service is responsible for protection of the President and other officials, investigating counterfeiting of currency and check forgeries, protection of the White House and various other buildings within Washington, DC.

Investigations, protection, and uniformed activities.—The Service must provide for the protection of the President of the United States, immediate family members, the President-elect, the Vice President, or other officer next in the order of succession to the Office of the President, and the Vice President-elect, and the members of their immediate families unless the members decline such protection; protection of the person of a visiting head and accompanying spouse of a foreign state or foreign government and, at the direction of the President, other distinguished foreign visitors to the United States and official representatives of the United States performing special missions abroad; the protection of the person of a former President and spouse during the former President's lifetime, the protection of the person of the spouse of a former President until death or remarriage, and minor children of a former President until they reach 16 years of age, unless such protection is declined. The Service is also responsible for investigation of counterfeiting of currency, and securities; forgery and altering of Government checks and bonds; thefts and frauds relating to Treasury electronic funds transfers; and other criminal and noncriminal cases.

The Secret Service Uniformed Division protects the Executive Residence and grounds in the District of Columbia; any building in which White House offices are located; the President and members of his immediate family; the official residence and grounds of the Vice-President in the District of Columbia; the Vice President and members of his immediate family; foreign diplomatic mission located in the Washington metropolitan area; the Treasury Building, its Annex and grounds, and such other areas as the President may direct on a case-by case basis.

Presidential candidate protective activities.—The Secret Service is authorized to protect major Presidential or Vice-Presidential candidates, as determined by the Secretary of the Treasury after consultation with an advisory committee. In addition, the Service is authorized to protect the spouses of major Presidential and Vice-Presidential candidates; however, such protection may not commence more than 120 days prior to the general Presidential election.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Dollars in thousands]

	FTE positions	Amount
Fiscal year 1989 appropriation (Public Law 100-440)	4,468	\$357,500
FTE ceiling adjustment	(170)	
Proposed fiscal year 1989 level	4,298	357,500
Changes proposed or fiscal year 1990:		
Program increases	141	18,588
Maintain current program levels		11,090
Reductions, nonrecurring costs and savings		(16,566)
Net transfers	(3)	(100)
Program reductions		(2,111)
Total fiscal year 1990 changes	138	10,901
Fiscal year 1990 Presidents' budget	4,436	368,401

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

[Dollars in thousands]

	Change from proposed fiscal year 1989 levels	
	FTE positions	Amount
Program increases: An increase is requested to fund Enhancements to the Vice President's Residence (0 FTE, \$2,100), Consolidated Building (0 FTE, \$7,616), Technical Security Countermeasures (0 FTE, \$1,480), Van Ness International Drive (0 FTE, \$1,249), ADP Program (0 FTE, \$160), Technical Security Program (0 FTE, \$350), Communications (0 FTE \$100), Permanent Protection (55 FTE, \$2,194), Uniformed Division (79 FTE, \$3,067) and Protective Research (7 FTE, \$272)	141	\$18,588
Maintain current program levels: An increase is requested for the costs of inflation, pay annualization, and other uncontrollable increases (e.g., benefits, supplies, equipment)		11,090
Reductions for nonrecurring costs and savings: A decrease is requested for nonrecurring costs, (e.g., Candidate Protection, WH South Barriers, Remote Delivery Site, MCI PCs/Peripherals, Intrusion System, WH Windows, WH Video System, Butler Storage Building, Fixed Site Security, Space Renovations, STU-III, WHCA (-\$14,066) and construction at Rowley Training Center (-\$2,500)		(16,566)

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES—Continued

[Dollars in thousands]

	Change from proposed fiscal year 1989 levels	
	FTE positions	Amount
Net transfers: A decrease is requested for the transfer to fund the Statutory Inspector General (—3 FTE, —\$156) and an increase is requested for the State Department Foreign Affairs Administrative Support (0 FTE, \$56) transfer	(3)	(100)
Program reductions: Reductions to offset the annualization of the January 1989 pay increase will be taken from equipment and travel		(2,111)

SPECIAL OFFICER FORCE

The Committee is concerned that the Special Officer Force of the Secret Service has never been upgraded, despite increased demands in training and responsibilities. Special officers did not enjoy the special wage rate applied to the uniformed division and subsequently have experienced transfers and reduced morale as a result of a widened disparity in pay. The Committee is aware that the Secret Service is developing a plan to correct this situation and directs the Service to work with representatives of the special officers to develop and adopt a plan which will provide for greater versatility and training for the Special Officer Force and a pay system that will improve morale and recruitment and retention for the special officer category.

STAFFING

The Committee allows the 4,436 positions requested for 1990, an increase of 138 above the 4,298 positions authorized in 1989.

TITLE II—POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

Appropriation, fiscal year 1989 to date	\$436,417,000
Budget estimate, fiscal year 1990	459,755,000
Recommended in the bill.....	459,755,000
Bill compared with:	
Appropriation, fiscal year 1989	+23,338,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$459,755,000, the full amount of the fiscal 1990 budget request, and an increase of \$23,338,000 above fiscal year 1989.

The Postal Reorganization Act of 1970, Public Law 91-375, converted the Post Office Department into the U.S. Postal Service, an independent establishment with the executive branch. The Postal Service commenced operations July 1, 1971. This agency is charged with providing patrons with reliable mail service at reasonable rates and fees.

The U.S. Postal Service is governed by an 11-member Board of Governors, including nine Governors appointed by the President, a Postmaster General who is selected by the Governors, and a

Deputy Postmaster General who is selected by the Governors and the Postmaster General.

Decisions on changes in domestic rates of postage and fees for postal services are recommended to the Governors of the Postal Service by the independent Postal Rate Commission after a hearing on the record under the Administrative Procedure Act. The Commission also recommends decisions on changes in the domestic mail classification schedule to the Governors. Decisions of the Governors on rates of postage, fees for postal services, and mail classification are final, subject to judicial review.

Programs.—Included are all postal activities providing window services; processing, delivery, and transportation of mail; research and development; administration of postal field activities; and associated expenses of providing facilities and financing.

Financing.—The activities of the U.S. Postal Service are financed from the following sources: (1) mail and services revenue, (2) reimbursements from Federal and non-Federal sources, (3) proceeds from borrowing, (4) interest from U.S. securities and other investments, and (5) appropriations by the Congress. All receipts and deposits are made to the Postal Service Fund and are available without fiscal year limitation for payment of all expenses incurred, retirement of obligations, investment in capital assets, and investment in obligations and securities.

Public Law 100-203 established a separate account in the U.S. Treasury, the "Postal Service Escrow Fund." The Postal Service is required to deposit \$465 million in this Fund no later than October 31, 1988. These funds will not be available for expenditure during the existence of the Fund. The Fund will cease to exist on October 1, 1989, a which time the \$465 million will be returned to the Postal Service Fund.

Section 2005 of title 39, United States Code, authorizes the Postal Service to borrow by issuing obligations which may not exceed \$10 billion outstanding at any one time. In any one fiscal year, the net increase in amounts outstanding may not exceed \$1.5 billion in obligations issued for the purpose of capital improvements and \$500 million for the purpose of defraying operating expenses. As of September 30, 1989, it is expected that the total debt instruments issued and outstanding pursuant to this authority will amount to \$7.222 billion.

Operating.—Estimated revenue will total \$38.2 billion in 1989. This includes \$38.0 billion from mail and services revenue, \$295 million from investment income, and a net reconciliation and revenue forgone appropriation payment of \$34 million.

SUMMARY OF BUDGET INCREASES

Revenue Forgone Appropriation

The budget recommends a revenue forgone appropriation of \$459,755,000 for mailings in fiscal year 1990. The budget submission indicated that the Administration will re-submit a previous legislative proposal to eliminate the revenue forgone appropriation for all preferred rate categories except free mail for the blind and overseas voter mail.

Under current requirements, the appropriation needed to maintain all free and reduced rate mail at the authorized level in fiscal year 1990 is \$459,755,000. This amount covers the estimated revenue loss from charging the lower rates. Under current law, if Congress decides not to provide the full appropriation, the Postal Service is required by law to adjust the rates as necessary to make up the shortfall.

The statutes require each year's appropriation request to include an amount to reconcile the appropriation for prior years based on final audited mail volumes. The Fiscal Year 1987 appropriation followed advanced estimates that \$591,024,000 would be required for free and reduced rate mail. Audited mail volumes now available for that year indicate that \$546,152,000 was the amount sufficient to fully reimburse the Postal Service for the services provided. The excess of \$44,872,000 is proposed to offset the estimated revenue forgone cost of \$504,627,000 which provides a net payment to the Postal Service under the revenue forgone category of \$459,775,000.

USE OF RENTAL VERSUS GOVERNMENT-OWNED MAIL TRAILERS

It has been the understanding of the Committee for a number of years that it has been more economical for the Postal Service to use rental trailers rather than Government-owned trailers for the movement of mail within New York City. Accordingly, the Postal Service is requested to continue the use of rental trailers for the movement of mail in New York City rather than purchasing and using Government-owned trailers.

PAYMENT TO THE POSTAL SERVICE FUND FOR NONFUNDED LIABILITIES

Appropriation, fiscal year 1989 to date	
Budget estimate, fiscal year 1990	\$36,942,000
Recommended in the bill.....	36,942,000
Bill compared with:	
Appropriation, fiscal year 1989	+36,942,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$36,942,000, the full amount of the fiscal 1990 budget request, and an increase of \$36,942,000 above fiscal year 1989.

The Administration's budget request includes \$36,942,000 in Fiscal Year 1990 for transfer to the Department of Labor. This request covers Workers' Compensation costs for injuries to some 2700 surviving former Post Office Department employees—that is prior to July 1971—injured before postal reorganization. While the Postal Service pays the workers' compensation costs for its own employees, by law the United States remains responsible for those Post Office Department injuries incurred prior to July, 1971 and the Postal Service is not liable for them.

It should be noted that under the Scorekeeping Guidelines for the Bipartisan Budget Agreement of April 14, 1989, this account is considered "mandatory" and therefore reductions to this account would not be available to increase discretionary appropriations elsewhere in this bill.

POSTAL SERVICE AT CHEROKEE VILLAGE, ARKANSAS

The Committee is aware of complaints by residents of Cherokee Village, Arkansas, about the hours of operation of the contract service facility there and of confusion on the part of Cherokee Village residents who must use a Hardy, Arkansas ZIP Code, a Hardy address, or both.

The Committee directs the Postal Service to consult with residents of Cherokee Village and report to the Committee by February 1, 1990, on options for improving service to Cherokee Village and reducing address confusion among Cherokee Village residents. The report should include among the options to be examined establishment of a full-service post office in Cherokee Village, extending the hours of operation of the current contract service facility, and such other options as the Postal Service deems worthy of consideration. The report should also indicate which option the Postal Service prefers.

The Committee also encourages the Postal Service to continue and expand its efforts to obtain the views of local elderly populations in connection with facility location or relocation decisions.

WESTCHESTER COUNTY, NEW YORK

The Committee is concerned with the controversy relating to the Postal Service's Westchester, New York, General Mail Facility (GMF) project. To permit further time to resolve this matter, the Committee bill directs the Postal Service to delay issuance of any new contracts and any construction for such facility for a period of ninety days. During that period, the Committee directs the Postal Service to pursue alternative sites for the facility in consultation with local officials and to report to the Committee with alternative recommendations. In examining alternatives, the Committee encourages the Postal Service to give consideration to potential sites in the vicinity of, but not immediately within its present "preferred area," the designation of which is, in the words of the Postal Service Real Estate Division, "not an exact science." Furthermore, the Committee directs that the Postal Service not include among its recommendations the site in the Town of North Castle, New York construction of which was prohibited by a provision in the Committee's bill for Fiscal 1989.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT

COMPENSATION OF THE PRESIDENT

Appropriation, fiscal year 1989 to date	\$250,000
Budget estimate, fiscal year 1990	250,000
Recommended in the bill.....	250,000
Bill compared with:	
Appropriation, fiscal year 1989 .....	.....
Budget estimate, fiscal year 1990.....	.....

The Committee recommends an appropriation of \$250,000, the full amount of the fiscal 1990 budget request.

These funds provide for the compensation of the President and for official expenses.

THE WHITE HOUSE OFFICE

Appropriation, fiscal year 1989 to date	\$27,950,000
Budget estimate, fiscal year 1990	30,639,000
Recommended in the bill.....	30,639,000
Bill compared with:	
Appropriation, fiscal year 1989	+2,689,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$30,639,000, the full amount of the fiscal 1990 budget request, and an increase of \$2,689,000 above fiscal year 1989.

These funds provide the President with staff assistance and provide administrative services for the direct support of the President.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

Fiscal year 1989 budget authority	\$27,950,000
Special transition funding	(650,000)
	27,300,000
Original fiscal year 1989 funding base.....	27,300,000
Bush administration reduction.....	(79,000)
	27,221,000
Current services level increases:	
One-quarter of the fiscal year 1989 4.1 percent pay raise.....	153,000
25 percent of the annualized FERS cost resulting from transition employee turnover	232,000
Increased GSA space charges	250,000
Inflationary current service increases	329,000
	964,000
Subtotal, CSL increases.....	964,000
	28,185,000
Fiscal year 1990 current service level.....	28,185,000
Fiscal year 1990 program increases:	
Completion of installation of an optical disk system	160,000
Redevelopment of a personnel computer system software and replacement of the associated, aging minicomputer	215,000
	375,000
Subtotal, program increases.....	375,000
	28,560,000
Total fiscal year 1990 request.....	28,560,000

STAFFING

The Committee allows the 366 positions requested for 1990, the same number authorized in 1989.

OFFICE OF ADMINISTRATION

Appropriation, fiscal year 1989 to date	\$18,350,000
Budget estimate, fiscal year 1990	18,325,000
Recommended in the bill.....	18,325,000
Bill compared with:	
Appropriation, fiscal year 1989	-25,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$18,325,000 the full amount of the fiscal 1990 budget request, and a decrease of \$25,000 above fiscal year 1989.

This office provides common administrative support and services to units within the Executive Office of the President, Included are personnel and financial management; administrative services such

as mail distribution, messenger services, printing and duplication, and procurement; and automated data processing

Program development in ADP systems will be funded by reimbursements from users.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

Fiscal year 1989 budget authority	\$16,850,000
Fiscal year 1989 Transition costs.....	(250,000)
	<hr/>
Adjusted fiscal year 1989 base	16,600,000
	<hr/> <hr/>
Current Service Level Increases:	
Rental payments to GSA:	
Increase due to new rates	30,000
Increase due to resurvey	376,000
One-quarter of 4.1 percent pay raise cost.....	60,000
Increased costs due to FERS and special clerical workers raise..	55,000
Other mandatory increases due to inflation.....	227,000
	<hr/>
Fiscal year 1990 current services level	17,348,000
	<hr/> <hr/>
Major program changes:	
Remote delivery site and corresponding space.....	87,000
Direct Support of OMB	400,000
MAX 2000 requirements analysis (research and initial imple- mentation).....	250,000
	<hr/>
Total program changes.....	737,000
	<hr/> <hr/>
Revised fiscal year 1990 request ¹	18,085,000

¹ The revised request represents a \$240,000 reduction from the Reagan budget.

STAFFING

The Committee allows the 167 positions requested for 1990, the same number authorized in 1989.

SPECIAL ASSISTANCE TO THE PRESIDENT

Appropriation, fiscal year 1989 to date	\$2,199,000
Budget estimate, fiscal year 1990	2,335,000
Recommended in the bill.....	2,335,000
Bill compared with:	
Appropriation, fiscal year 1989	+136,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$2,335,000, the full amount of the fiscal 1990 budget request, and an increase of \$136,000 above fiscal year 1989.

These funds are to be used by the Vice President to carry out responsibilities assigned him by the President and by various statutes.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

Fiscal Year budget authority	\$2,199,000
	<hr/> <hr/>
Current services level:	
One-quarter of fiscal year 1989 pay increase.....	30,000
Increase in rental payments to GSA	106,000
Total increase.....	136,000
	<hr/> <hr/>
Fiscal year request.....	2,335,000

STAFFING

The Committee allows the 24 positions requested for 1990, the same number authorized in 1989.

COUNCIL OF ECONOMIC ADVISERS

Appropriation, fiscal year 1989 to date	2,787,000
Budget estimate, fiscal year 1990	2,906,000
Recommended in the bill.....	2,906,000
Bill compared with:	
Appropriation, fiscal year 1989	+119,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$2,906,000, the full amount of the fiscal 1990 budget request and an increase of \$119,000 above fiscal year 1989.

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

SUMMARY OF INCREASES

Personnel compensation and benefits.....	\$22,000
Rental payments to GSA.....	36,000
Supplies and materials	5,000
Equipment.....	56,000

The \$56,000 increase is restoration in equipment because the absorption of the the pay raise in fiscal 1989 delayed the necessary equipment replacement.

Total of all object classes	119,000
-----------------------------------	---------

STAFFING

The Committee allows the 38 postions requested for 1990, the same number authorized in 1989.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

Appropriation, fiscal year 1989 to date	\$5,698,000
Budget estimate, fiscal year 1990	6,773,000
Recommended in the bill.....	6,773,000
Bill compared with:	
Appropriation, fiscal year 1989	+1,075,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$6,773,000, the full amount of the fiscal 1990 budget request, and an increase of \$1,075,000 above fiscal year 1989.

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

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET REQUEST

An additional permanent position, that of Assistant Chef is needed to lessen the kitchen overtime costs and reduce use of Service by Agreement Chefs.....	+\$37,000
---	-----------

Additional funds are needed to provide preventive maintenance and operating supplies for the newly installed Water Filtration System.....	+17,000
Funds are needed for acquisition of new computer technology to replace the outdated system currently used to maintain historical records and inventory of all items in the White House and the White House Fine Arts Collection.....	+47,000
A number of stock items are in short supply and need to be purchased including replacement bed and table linens, daily house-keeping supplies and glassware, electrical, carpentry and engineering items, and interior and exterior paint. Inventory purchases, deferred for several years to fund pay raises and other urgent needs, can be deferred no longer.....	+57,000
Utility increases, including increased costs associated with portable telephones, cannot be absorbed.....	+16,000
New and replacement of obsolete equipment is required including table saws, holesaws, steam cleaners, pipe detectors, flower pots, sculpture pedestals, draperies, and other furnishings.....	+44,000
Portable stages and press platforms used in the Executive Residence are showing signs of fatigue and need replacement.....	+60,000
Funding is requested to cover 25 percent of the fiscal year 1989 pay increase, (estimated at 4.1 percent).....	+45,000
Funds are needed to provide floor replacement in the State Dining Room and the Family Dining Room on the State level. This fiscal year 1989 project had to be deferred to fund the fiscal year 1989 pay increase.....	+125,000
Several painting conservation projects had to be deferred due to absorption of the fiscal year 1989 pay increase. These include The Peacemakers by Healy; Crossing the River Platt by Worthridge; and Lake George by Andrews.....	+10,000
The cost of these increases will be partially offset by savings in other areas.....	-183,000
Subtotal operating.....	275,000
Exterior window replacement.....	+800,000
Total.....	1,075,000

STAFFING

The Committee allows the 95 positions requested for 1990, an increase of 1 over the 94 positions authorized in 1989.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

Appropriation, fiscal year 1989 to date.....	\$258,000
Budget estimate, fiscal year 1990.....	378,000
Recommended in the bill.....	578,000
Bill compared with:	
Appropriation, fiscal year 1989.....	+320,000
Budget estimate, fiscal year 1990.....	+200,000

The Committee recommends an appropriation of \$578,000, an increase of \$200,000 above the fiscal 1990 budget request, and an increase of \$320,000 above fiscal year 1989.

These funds provide for the care, maintenance, and operation of the Vice President's official residence. The Committee has provided an additional \$200,000 for renovation and remodeling of the third floor of the residence.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET REQUEST

Personnel compensation and benefits.....	\$10,000
Other services.....	93,000
Supplies and materials.....	-3,000

Equipment.....	20,000
Total.....	+120,000

OFFICE OF POLICY DEVELOPMENT

Appropriation, fiscal year 1989 to date	\$3,000,000
Budget estimate, fiscal year 1990	3,079,000
Recommended in the bill.....	3,079,000
Bill compared with:	
Appropriation, fiscal year 1989	+79,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$3,079,000, the full amount of the fiscal 1990 budget request, and an increase of \$79,000 above fiscal year 1989.

The Office of Policy Development advises and assists the President in the formulation, evaluation and coordination of long-range economic and domestic policy; supports the operation of the Office of Cabinet Affairs, including the Domestic Policy Council and the Economic Policy Council; and supports the President's Economic Policy Advisory Board and Interagency Low Income Opportunity Advisory Board.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

Personnel compensation and benefits.....	\$27,000
Rental Payments to GSA (SLUC).....	45,000
Communications, utilities and miscellaneous charges	7,000
Total increase.....	79,000

STAFFING

The Committee allows the 44 positions requested for 1990, the same number authorized in 1989.

NATIONAL CRITICAL MATERIALS COUNCIL

SALARIES AND EXPENSES

Appropriation, fiscal year 1989 to date	\$225,000
Budget estimate, fiscal year 1990	
Recommended in the bill.....	225,000
Bill compared with:	
Appropriation, fiscal year 1989	
Budget estimate, fiscal year 1990.....	+225,000

The Committee recommends an appropriation of \$225,000, the same amount authorized for 1989. No funds were requested for fiscal year 1990.

The National Critical Materials Council Assists in the coordination of materials policies and programs and works with the various agencies with mineral and materials policy and program responsibilities. The Administration proposes phaseout of the Council and transfer of its key functions to other Executive Office of the President and line agencies with similar existing responsibilities to avoid duplication while ensuring important functions are completed.

The administration did not recommend any funds for this Council and proposed to transfer its functions to other agencies.

The Committee feels that there is a need for this agency and requests the Administration to review its decision and report to the Committee before the FY 1991 budget is finalized.

NATIONAL SECURITY COUNCIL

Appropriation, fiscal year 1989 to date	\$5,100,000
Budget estimate, fiscal year 1990	5,409,000
Recommended in the bill.....	5,409,000
Bill compared with:	
Appropriation, fiscal year 1989	+309,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$5,409,000, the full amount of the fiscal 1990 budget request, and an increase of \$309,000 above fiscal year 1989.

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

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

PERSONNEL COMPENSATION AND BENEFITS

FISCAL YEAR 1990—\$2,849,000

	<i>Net change</i>
Funding levels for the National Security Council are primarily determined by expenditures for personnel. 56% of the total funds requested for fiscal year 1990 are for personnel. Funds in the amount of \$2,849,000 would provide for the full-time permanent employees in fiscal year 1990 for the National Security Council and the President's Foreign Intelligence Advisory Board.....	-\$412,000

TRAVEL

FISCAL YEAR 1990—\$400,000

The request of \$400,000 will provide for travel by the National Security Council on Presidential, Summit and cabinet-level trips. The increase of \$50,000 reflects an increase in Presidential travel requirements	+50,000
--	---------

STANDARD LEVEL USER CHARGES

FISCAL YEAR 1990—\$979,000

The cost of NSC's office space is projected to rise \$49,000. This increase is based on guidance from the General Services Administration for rates established for fiscal year 1990 especially affecting space in the old Executive Office Building. The need for additional office space is not anticipated for fiscal year 1990	+49,000
--	---------

COMMUNICATIONS, OTHER RENT, AND UTILITIES

FISCAL YEAR 1990—\$311,000

The \$311,000 requested will provide for the NSC's commercial telephone needs including FTS, postage, after-hour utilities, and telegraph communications	+11,000
--	---------

PRINTING

FISCAL YEAR 1990—\$15,000

The \$15,000 requested will fund the NSC's projected printing requirements	+1,000
--	--------

OTHER SERVICES

FISCAL YEAR 1990—\$367,000

\$127,000 of the requested money will provide for the NSC's maintenance and repair of NSC equipment such as copying and telex machines, GSA reimbursable work authorization, scheduled renovation projects and training. \$240,000 of this request will be used to prepare a vaulted storage area and work space for our Information Policy directorate +244,000

SUPPLIES

FISCAL YEAR 1990—\$88,000

The \$88,000 requested will provide for the NSC's traditional office supplies and any computer supplies that may be required..... +4,000

EQUIPMENT

FISCAL YEAR 1990—\$39,000

The \$39,000 requested will provide NSC with traditional office or ADP equipment that may be required or as necessary, replace present equipment -1,000

Total -52,000

STAFFING

The Committee allows the 63 positions requested for 1990, the same number authorized in 1989.

OFFICE OF MANAGEMENT AND BUDGET

Appropriation, fiscal year 1989 to date	\$39,640,000
Budget estimate, fiscal year 1990	43,894,000
Recommended in the bill.....	44,894,000
Bill compared with:	
Appropriation, fiscal year 1989	+5,254,000
Budget estimate, fiscal year 1990.....	+1,000,000

The Committee recommends an appropriation of \$44,894,000, an increase of \$1,000,000 above the fiscal 1990 budget request, and an increase of \$5,254,000 above fiscal year 1989.

This Office assists the President in the discharge of his budgetary, management, and other executive responsibilities.

Budget review.—Budget instructions and procedures are developed, review of agency estimates is coordinated, budget data systems are maintained, agency financial management plans are reviewed, and the budget document is prepared.

National security and international affairs, Economics and government, Natural resources, energy, and science, and Human resources, veterans, and labor.—Agency programs budget requests, and management activities are examined, appropriations are apportioned, proposed changes in agency functions are studied, and special studies aimed at establishing goals and objectives that would result in long- and short-range improvements in the agencies' financial, administrative, and operational management are conducted.

Director's office.—Executive direction and coordination for all Office of Management and Budget activities is provided. This includes the Director's immediate office as well as staff support in the areas of administration, public affairs, legislative reference,

congressional and legislative affairs, economic policy, and General Counsel/Civil Rights.

Management.—Government-wide programs to improve management effectiveness are planned and implemented. Policy leadership and assistance are given to all agencies in administrative and management systems, debt collection, financial management, and anti-fraud, waste and abuse initiatives.

Information and regulatory affairs.—Policy leadership and assistance to agencies in paperwork management and reduction, ADP telecommunications policy, statistical policy, information policy and regulatory reviews are provided. Estimates include resources necessary for the Office of Information and Regulatory Affairs in the Office of Management and Budget to implement the Paperwork Reduction Act of 1980 (as amended by the Paperwork Reduction Act of 1986) and other functions delegated or assigned by the Director.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

Personnel compensation and benefits.....	<i>Net change</i> +\$2,292,000
<p>The increase of \$2,292,000 from OMB's 1989 estimated resources will be used primarily (\$1,897,000) to provide funding for the 34 additional FTE's, one quarter of the January 1989 pay raise and within grade increases and promotions. It should be noted that the increase in FTE's are not new positions, but rather existing positions which had remained vacant due to absorptions of mandated increases and congressional reductions to OMB's prior budget requests. The remaining \$395,000 is for benefits for the additional positions and Federal Employees Retirement Systems (FERS) costs.</p>	
Travel.....	+30,000
<p>This request reflects an increase of \$30,000 over the 1989 funding level. The increase requested will cover rising costs for travel. In the last five years, OMB has tried to make the most of travel funds by providing funding for new examiners to travel and get first hand knowledge of their programs.</p>	
Rental payments to GSA.....	+273,000
<p>The increase of \$273,000 from OMB's 1989 operating level is due to a slight increase in rates for office space as charged by GSA and a one time space reconciliation derived by the Office of Administration and GSA to reflect accurate space utilization for the EOP Complex. Cost for office space in the EOP complex increased from \$28.35/sq. ft. to \$28.83/sq.ft.</p>	
Other services.....	-150,000
<p>The decrease of \$150,000 is due to a combination of items. It includes the transfer of \$400,000 from OMB's budget to the Office of Administration(OA). These monies will be used to provide support of OMB's word processing system and support of agencies that use data input in preparation of the President's budget (79-10 agencies).</p>	
Equipment.....	+350,000
<p>The 1990 request is \$350,000 higher including \$250,000 for equipment purchases relating to the Budget and Financial Information System and \$100,000 additional to be used for replacing obsolete office equipment, communications hardware and software, and related peripheral equipment.</p>	
Total increase.....	+2,795,000

OFFICE OF INFORMATION AND REGULATORY AFFAIRS (OIRA)

The Committee has denied without prejudice the use of funds by OIRA until pending authorization is enacted.

REVIEW OF TRANSCRIPTS

The Committee has inserted a provision which prohibits OMB from reviewing transcripts of hearings of Armed Services and Appropriations Committee transcripts prior to their publication.

STAFFING

The Committee allows the 580 positions requested for 1990.

OFFICE OF FEDERAL PROCUREMENT POLICY

Appropriation, fiscal year 1989 to date	\$2,353,000
Budget estimate, fiscal year 1990	2,660,000
Recommended in the bill.....	2,660,000
Bill compared with:	
Appropriation, fiscal year 1989	+307,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$2,660,000, the full amount of the fiscal 1990 budget request, and an increase of \$307,000 above fiscal year 1989.

The Office of Federal Procurement Policy is responsible for promoting economy, efficiency, and effectiveness in the procurement of property and services by and for the executive branch.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Dollars in thousands]

Fiscal year 1989 estimate	2,353
Increases:	
Personnel compensation.....	+179
Personnel benefits	+20
Travel.....	+9
Rental payments to GSA	+40
Communications utilities and miscellaneous.....	+9
Printing.....	+7
Other services	+32
Supplies and materials.....	+1
Equipment	+10
Total.....	+307
Fiscal year 1990 request.....	2,660

STAFFING

The Committee allows the 37 positions requested for 1990, an increase of 5 over the 32 positions authorized in 1989.

INVESTMENT IN MANAGEMENT IMPROVEMENT

Appropriation, fiscal year 1989 to date	\$1,000,000
Budget estimate, fiscal year 1990	18,000,000
Recommended in the bill.....	1,000,000
Bill compared with:	
Appropriation, fiscal year 1989	-17,000,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$1,000,000, a reduction of \$17,000,000 below the fiscal 1990 budget request, and the same amount authorized for fiscal year 1989.

Office automation.—In 1989, \$1 million will be used for office automation to provide networked support facilities for the Office of Management and Budget.

Management initiatives.—These funds will be used by transferring them to Executive Branch agencies, as necessary, to provide financing for the completion of "Reform '88." Reform '88 is a comprehensive Government-wide management improvement program begun early in the Reagan Administration with the objective of improving the internal management of the Federal Government. This funding will permit the completion of projects essential to this comprehensive overhaul of the way the Federal Government conducts its business.

Improved financial management.—Funds requested in this account will be used to permit the further development of agencies' accounting systems to include operating information on program accomplishments and thereby improving the ability of line managers to assess program results and make changes necessary to assure planned results will be achieved. Funds will also be made available to an agency for the development of a prototype grant financial management system to streamline agency grants administration processes which are labor and paperwork intensive and unnecessarily expensive. Other projects include improving the quality of services delivered to recipients of Federal benefits through the use of such state-of-the-art technology as plastic access cards, access to funds via automated teller machines, point-of-sale terminals and, potentially, smart card terminals covering Federal, State and local programs. Use of these technologies would minimize the issuance of checks and other paper instruments, reduce operating costs to the Government and provide greater security over the disbursement of cash.

Improved credit management.—This funding will make it possible for agencies to continue the development of Government-wide guaranteed loan delivery and credit management information systems, making possible better service to the public, reduce costs, and more timely information about the performance and costs of each lending program. Portions of these funds will be used to expand the use of private attorneys to assist U.S. Attorneys in the collection of debt owed to the United States. Funds will be used to transfer servicing, either by contracting out or by selling the servicing rights to the private sector, resulting in decreased agency operating costs and reduced loan defaults. Funds will also be made available for agencies to access the Credit Alert Interactive Voice Response System (CAIVRS) at HUD that will allow prescreening of direct and guaranteed loans applicants for credit-worthiness, thereby reducing potential defaults in loan programs.

Improved quality of Federal products and services.—Funds will be transferred to Executive Branch agencies to pay for quality improvement assistance from the private sector corporations included in the Federal Quality Institute's Federal Supply Schedule contract. Funds will also be made available for the planning, development and implementation of pilot projects that can demonstrate

more appropriate and effective ways to organize, staff, reward and/or compensate the work force. These demonstration projects will be expected to have multi-agency applicability, and to enable the Federal Government to improve recruitment, retention, performance and expanded employee responsibilities.

The Committee directs that the Office of Management and Budget study the proposed investment in management improvement program and report back to the Committee. These funds may be used as a pilot program to test the viability of the concept.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

Appropriation, fiscal year 1989 to date	\$3,500,000
Budget estimate, fiscal year 1990	12,000,000
Recommended in the bill.....	12,000,000
Bill compared with:	
Appropriation, fiscal year 1989	+8,500,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$12,000,000, the full amount of the fiscal 1990 budget request and an increase of \$8,500,000 above fiscal year 1989.

The Office of National Drug Policy, established by the Anti-Drug Abuse Act of 1988, is charged with developing policies, objectives and priorities for the National Drug Control Program; annually promulgating the National Drug Control Strategy; coordinating and overseeing the implementation of the Strategy; making recommendations to the President regarding changes in the organizations, management, personnel, and budgets of the Federal departments and agencies engaged in the drug effort; and consulting with and assisting State and local governments regarding control matters. The Office will begin operations in fiscal year 1989.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET

[Amounts in thousands]

Fiscal year—			Net change
1989	1990		
\$2,456	\$4,254	Personnel compensation and benefits.....	\$1,798
Funds in this line item provide full-year salaries for 64 full-time permanent positions, temporary employees, including consultants; and overtime and holiday pay.			
\$50	\$200	Travel and transportation of persons.....	\$150
The requested funds will cover the full-year cost of essential staff and invitational travel.			
Four PAS appointees serve in ONDCP. These employees are expected to travel frequently throughout the United States and in some instances internationally. When these individuals travel, they will require not only travel expenses but also security expenses. We also expect to provide some invitational travel for consultation, some of which is required by legislation.			
\$2	\$5	Transportation of things.....	\$3
\$443	\$905	Rental payments to GSA (SLUC).....	\$462
This amount reflects the estimated full-year cost of office space at rates established by the General Services Administration for office space at 1825 Connecticut Avenue, N.W.			
\$200	\$300	Communications, utilities, and miscellaneous charges.....	\$100
This amount will fund the estimated full-year cost of telephone service, telecommunications, postage, and the rental of data processing equipment and copier equipment.			

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET—Continued

(Amounts in thousands)

Fiscal year—			Net change
1989	1990		
\$5	\$500	Printing and reproduction	\$495
This amount will provide for basic printing needs and for the publication and promulgation (as required by law) of the National Drug Control Strategy, the Consolidated National Drug Control Budget, and legislatively mandated studies and commission reports. In addition, ONDCP will likely issue periodic reports to the public on the topics of law enforcement, drug treatment and drug education programs. Other possible activities may include newsletters to promote coordination between Federal agencies and State and local governments.			
\$129	\$5,336	Other services	\$5,207
This amount will fund a wide variety of possible contract services ranging from contracts for ADP services to conference contracts to help facilitate the consultation process, and will fund research to begin evaluation of the effectiveness and benefits of current programs in order to determine which programs are essential to the implementation of our strategy. We need to determine "what works" and to develop qualitative data in the areas where none exists.			
\$15	\$200	Supplies and materials	\$185
These funds will pay for the estimated full-year cost of acquiring supplies, materials, and publications for ONDCP.			
\$200	\$300	Equipment	\$100
This amount will provide for the purchase of required office equipment, such as PCs, ADP, copiers, and facsimile machines.			
\$3,500	\$12,000	Total all object classes	\$8,500

COMPUTER INFORMATION SYSTEM

The Committee is concerned about the lack of a centralized computer information system for the filing, storage, and retrieval of Federal, State, and local law enforcement agency records and information on drug-related offenders. The Committee directs the Office of Drug Policy Control to assess the need for and cost of a narcotics information management system. The assessment of need should be submitted to the Committee by April 1, 1990.

STAFFING

The Committee allows the 40 positions requested for 1990, an increase of 30 over the 10 positions authorized in 1989.

SPECIAL FORFEITURE FUND

Appropriation, fiscal year 1989 to date	
Budget estimate, fiscal year 1990	\$136,000,000
Recommended in the bill	136,000,000
Bill compared with:	
Appropriation, fiscal year 1989	+136,000,000
Budget estimate, fiscal year 1990	

The Committee recommends an appropriation of \$136,000,000, the full amount of the fiscal 1990 budget request, and an increase of \$136,000,000 above fiscal year 1989.

The Anti-Drug Abuse Act of 1988 established the Special Forfeiture Fund, to be administered by the Director of the Office of National Drug Control Policy. This Fund, which is to begin operations in fiscal year 1990, shall receive deposits of up to \$136,000,000 from the Department of Justice Assets Forfeiture Fund. The monies in the Fund will be disbursed to the drug control agencies in accord-

ance with the priorities articulated in the National Drug Control strategy.

The Director of the Office of National Drug Control Policy shall report to the House and Senate Committees on Appropriations each six months on the allocations of funds made from this Fund. The report should indicate name of agency to which allocated, amount, purpose, and any identifiable results or accomplishments.

UNANTICIPATED NEEDS

Appropriation, fiscal year 1989 to date	\$1,000,000
Budget estimate, fiscal year 1990	1,000,000
Recommended in the bill.....	1,000,000
Bill compared with:	
Appropriation, fiscal year 1989	
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$1,000,000, the full amount of the fiscal 1990 budget request.

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

TITLE IV—INDEPENDENT AGENCIES

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

Appropriation, fiscal year 1989 to date	\$1,865,000
Budget estimate, fiscal year 1990	1,865,000
Recommended in the bill.....	1,865,000
Bill compared with:	
Appropriation, fiscal year 1989	
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$1,865,000, the full amount of the fiscal 1990 budget request.

The Conference assists the President, the Congress, and the Federal departments and agencies in improving administrative procedure. It conducts studies of the efficiency, adequacy, and fairness of the procedures that the agencies and departments use to determine the rights, privileges, and obligations of private persons. The Conference issues formal recommendations for improvements and then encourages their implementation.

In addition to its research activities, the Conference also arranges for the interchange among administrative agencies of information useful in improving administrative procedure and, on an ongoing basis, furnishes assistance and advice on matters of administrative procedure to the agencies, Congress, and others.

The Conference receives funds from other Federal agencies for special projects carried out by the Conference pursuant to agreements with these agencies.

STAFFING

The Committee allows the 25 positions requested for 1990, the same number authorized in 1989.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Appropriation, fiscal year 1989 to date	\$1,040,000
Budget estimate, fiscal year 1990	1,300,000

Recommended in the bill.....	1,300,000
Bill compared with:	
Appropriation, fiscal year 1989	+260,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$1,300,000, the full amount of the fiscal year 1990 budget request and an increase \$260,000 above the level authorized in fiscal year 1990.

The Advisory Commission on Intergovernmental Relations (ACIR) is a 26-member dependent, bipartisan body. The Commission and its staff examine Federal, State and local trends, events, and programs that affect intergovernmental relations. On request, proposed legislation and executive actions are reviewed to determine their overall effect on the Federal system. The Commission also identifies emerging problems of Federal-State-local relations and assists States and localities in anticipating and meeting problems caused by various intergovernmental overlaps and conflicts, and makes recommendations concerning the workings and structural arrangements of governmental units and allocation of responsibilities and revenues among the various levels of government. The recommendations and published reports growing out of the Commission's work are submitted to the executive and legislative branches of Federal, State, and local governments for appropriate action.

Continuing and annual projects of the Commission include assessing changing public attitudes on government and taxes; publishing annual data on the "representative tax system" for all 50 States; analyzing fiscal disparities; publishing a periodic catalog of Federal aid; surveying and identifying trends in State and local finances; monitoring key intergovernmental legislation of Federal, State and local governments; and providing educational and technical assistance to Federal, State, and local governments regarding Commission recommendations.

Nonrecurring projects nearing completion include studies of governmental coordination problems in aiding the homeless, local governance and service provision in fragmented metropolitan areas, intergovernmental aspects of public welfare, balance in the Federal system, State-local relations in highway policymaking interjurisdictional tax and policy competition, State regulation of banks, local revenue diversification, and Federal and State compliance with mandates on barrier removal and employment for persons with disabilities.

ANALYSIS OF FISCAL YEAR 1990 INCREASES

[Dollars in thousands]

<i>Object classification</i>	<i>Net change</i>
11.1 Full-time permanent	+14
12.1 Personnel benefits: Civilian	-7
Because there are no termination and accumulated leave payments to be made, there will be a reduction in the benefits paid.	
21.0 Travel and transportation of persons	+13
Commission and staff travel will be funded by appropriation rather than the Trust Fund.	
23.1 Rental payments to GSA.....	+28
The GSA ten-year lease on the ACIR office space terminates at the end of FY 89. GSA minimal estimate is used for fiscal year 1990.	
23.2 Communications, utilities and miscellaneous charges	+75

<i>Object classification</i>	<i>Net change</i>
GSA rate increases indicate that this group of charges will show a slightly higher rate of increase than in previous years.	
24.0 Printing and reproduction	+64
The trust fund will finance \$44,000 in fiscal year 1989.	
25.0 Other services	+23
The trust account will fund \$120,000 in contract research in fiscal year 1989. In fiscal year 1990 there will be a combined (S&E and trust fund) decrease of \$27,000.	
26.0 Supplies and materials	+50
The trust account will fund \$51,000 in supplies in fiscal year 1989. An actual reduction.	
99.0 Total direct obligations	+260

STAFFING

The Committee allows the 18 positions requested for 1990, a reduction of 1 below the 19 positions authorized in 1989.

Other nonrecurring research projects under way or being initiated include State and local international trade and investment programs, State groundwater management, State constitutional law in the Federal system, Federal preemption of State authority and mandate reimbursement, State taxation and regulation of telecommunications, residential community associations as intergovernmental actors, and State taxation of interstate banking.

Appropriations finance the personnel and personnel-related expenses incurred in the basic day-to-day operation of the Commission.

ADVISORY COMMITTEE ON FEDERAL PAY

Appropriation, fiscal year 1989 to date	\$205,000
Budget estimate, fiscal year 1990	205,000
Recommended in the bill.....	205,000
Bill compared with:	
Appropriation, fiscal year 1989	
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$205,000, the full amount of the fiscal 1990 budget request.

The Advisory Committee on Federal Pay was appointed in accordance with the Federal Pay Comparability Act of 1970. The Committee assists the President in carrying out the policy of comparability in pay between major Federal statutory pay systems and private enterprise. The Committee reviews the annual report of the President's pay agent and considers the recommendations of representatives of Federal employees and other officials of the Federal Government. The Committee then prepares for the President an independent report with its findings and recommendations.

The Committee meets jointly throughout the year with the President's pay agent and the Federal Employees Pay Council in an attempt to reach early resolution of issues between them. It provides advisory opinions on unresolved issues.

STAFFING

The Committee allows the 3 positions requested for 1990, the same number authorized in 1989.

**COMMITTEE FOR PURCHASE FROM THE BLIND AND OTHER SEVERELY
HANDICAPPED**

Appropriation, fiscal year 1989 to date	\$862,000
Budget estimate, fiscal year 1990	937,000
Recommended in the bill.....	1,062,000
Bill compared with:	
Appropriation, fiscal year 1989	+200,000
Budget estimate, fiscal year 1990.....	+125,000

The Committee recommends an appropriation of \$1,062,000, an increase of \$125,000 above the fiscal 1990 budget request, and an increase of \$200,000 above fiscal year 1989.

The Committee for Purchase From the Blind and Other Severely Handicapped was established by the Wagner-O'Day Act of 1938, as amended. Its primary objective is to provide employment opportunities for the blind and other severely handicapped and, whenever possible, to prepare them to engage in competitive employment. In 1990, 19,250 blind and handicapped individuals are projected to be employed in 375 producing workshops. The Committee's duties include promoting the program, determining which commodities and services are suitable for Government procurement from qualified nonprofit agencies serving the blind and other severely handicapped; publishing a procurement list of such commodities and services; determining the fair market price for commodities and services on the procurement list; and making rules and regulations necessary to carry out the purposes of the Act. The Committee expects to have 2,510 items on its procurement list, and workshop sales of \$400 million.

The Committee staff's responsibilities include promoting and assessing the overall program; supervising the selection and assignment of new commodities and services; assisting in establishing prices; reviewing and adjusting these prices; verifying the qualifications of workshops; and monitoring their performance.

ANALYSIS OF FISCAL YEAR 1990 PRESIDENT'S BUDGET REQUEST

Personnel compensation.....	+\$13,000
Benefits.....	+10,000
Travel	+7,000
Rental payment to GSA.....	+1,000
Communications	-2,000
Printing	-1,000
Other services	+47,000
	<hr/>
Total increases.....	+75,000

STAFFING

The Committee allows 14 positions, an increase of one over the 13 positions authorized in 1989 and over the budget request.

FEDERAL ELECTION COMMISSION

Appropriation, fiscal year 1989 to date	\$15,433,000
Budget estimate, fiscal year 1990	14,257,000
Recommended in the bill.....	14,257,000
Bill compared with:	
Appropriation, fiscal year 1989	-1,176,000
Budget estimate, fiscal year 1990.....	.....

The Committee recommends an appropriation of \$14,257,000, the full amount of the the fiscal 1990 budget request, and a decrease of \$1,176,000 below fiscal year 1989.

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 relative to Federal elections.

The Commission is authorized to submit budget estimates to the President and concurrently to the Congress.

ANALYSIS OF FISCAL YEAR 1990 INCREASES

[Note: The Federal Election Commission has submitted a budget request of \$15,768,000, an increase of \$1,511,000 over the President's budget request and an increase of \$335,000 over fiscal year 1989.]

	Positions	Amount
Fiscal year 1989 appropriation.....	264	\$15,433,000
Less cost of FY 1989 Office Automation Project.....		-1,000,000
Fiscal year 1989 adjusted.....		14,433,000
Fiscal year 1990 cost to maintain office automation project.....		200,000
Subtotal.....		14,633,000
Fiscal year 1990 salary and benefits increases.....		621,000
Subtotal.....		15,254,000
Merit pay: \$47,000,*; within-grade increases: \$96,000*; fiscal year 1990 costs of Jan. 1, 1989 4.1 percent pay raise absorbed in fiscal year 1989: \$287,000*, FEC share of Jan. 1, 1988 and 1989 increases in health insurance: fiscal year 1988 costs absorbed in fiscal year 1989—\$66,000, cost of fiscal year 1989 increase—\$65,000, projected cost of Jan. 1, 1990—\$60,000.*)		
Rent increase by GSA.....	+2	30,000
Subtotal.....		15,284,000
Postage costs for 1990 election year.....		45,000
Election year prior notices of filings due.....		15,329,000
Restore equipment budget to normal.....		50,000
Equipment replacement cut 50 percent in fiscal year 1989.....		15,379,000
Restore clearinghouse to base level.....		36,000
Research contracts cut 36 percent in fiscal year 1989.....		15,415,000
Nonpersonnel information.....		79,000
4.55 percent over fiscal year 1989.....		15,494,000
Cost of Inspector General Office.....		121,000
Subtotal.....		15,615,000
Less personnel decreases: 13 fewer FTE (staff) which represented 1988 election cycle staff increase.....	-13	-285,000
Subtotal.....		15,330,000
Program increases.....	+5	+438,000
This program increase is to: educate the public regarding the tax check-off fund which is a potential shortfall position by the 1996 presidential elections; to provide for the data entry of all contributions down to the \$200 statutory disclosure mark; to enhance the FEC Press Office dissemination of press releases on campaign finance stories; and to improve the training of an support for Commission enforcement staff.		
Total Federal Election Commission request.....	258	15,768,000

INSPECTOR GENERAL

In appropriating funds for use by the Federal Election Commission to carry out its statutorily mandated functions, the Committee directs that no funds be used by the Commission for the establishment or operation of a permanent office of inspector general unless for the express purposes set forth in H. Report 101-44.

STAFFING

The Committee allows 258 positions, an increase of 7 above the 1990 budget request of 251 and a reduction of 1 below the 259 positions authorized in 1989.

GENERAL SERVICES ADMINISTRATION

LEASE AND LEASE-PURCHASE OF GOVERNMENT SPACE

The Committee believes that it is more economical to the government to use the lease-purchase contracting method in acquiring property for the government rather than leasing it. The Committee encourages the General Services Administration to carefully review the lease program and to use the lease purchase concept when it is in the best interest of the government.

FEDERAL BUILDINGS FUND

Construction and acquisition of facilities.—Space is acquired through direct federally-financed construction of facilities, extensions to existing buildings costing over \$1,500,000 and direct purchase of facilities. All costs directly attributable to Federal Buildings Fund construction projects for site acquisition and construction are also financed under this activity. The total cost of new commitments for direct federally-financed construction and acquisition of facilities is estimated at \$120 million in 1989 and \$123 million in 1990.

ALEXANDRIA, VA COURTHOUSE

The Committee understands that land has been donated to the Federal government and that appropriations for the acquisition of a site are not necessary.

VETERANS FACILITY, PHILADELPHIA, PA

In approving construction of this facility, the Committee assumes that the facility will be used for replacement only and will not be used to consolidate services which are being provided in VA facilities in other regions of the country.

REPAIRS AND ALTERATIONS

Repairs and alterations.—Repairs and alterations of public buildings are funded under this activity. Protection of the Government's investment, health and safety of building occupants, transfer of agencies from leased space, and cost effectiveness are the principal criteria used in establishing priorities. Primary consideration is given to repairs to prevent deterioration and damage to buildings, their support systems, and operating equipment. This activity also

provides for conversion of existing facilities and extensions estimated to cost less than \$1,500,000.

OTAY MESA AND VIRGINIA STREET COMMERCIAL FACILITIES

To maintain and improve the U.S. Customs Service's ability to process commercial traffic and continue its efforts to interdict illegal drugs, the Committee strongly supports the planned expansion of the commercial facility at Otay Mesa, California.

The expansion of Otay Mesa will provide additional entry gates and loading docks to enable Customs to more efficiently inspect and process the rapidly growing amount of cargo entering the U.S. from Mexico. From 1988 to 1989 there has been a twenty-six percent increase in commercial traffic at this location. Customs projects additional strong growth in U.S.-Mexico trade over the next decade. Completion of a new facility at Otay Mesa is essential to meet this burgeoning trade.

In addition, an expanded Otay Mesa facility will allow Customs to close the aging Virginia Street crossing which is currently used for southbound truck traffic to Mexico. The Customs Service and the local community support the consolidation of all commercial operations at Otay Mesa. The Virginia Street area does not have the infrastructure to handle heavy commercial traffic which is causing increasing congestion, noise and safety problems to the community. In contrast, the entire Otay Mesa area is oriented toward international trade operations.

The Government of Mexico has agreed to expand its roadways and commercial facilities at Otay Mesa and to plan for the eventual closing of Virginia Street. The Customs Service, GSA and local officials also agree on the need to expand operations at Otay Mesa and phase out activities at Virginia Street.

The master plan for the Otay Mesa project is scheduled for completion in early 1990. The Committee strongly encourages GSA and Customs to begin design of the new facility in Fiscal Year 1990 and to continue the project in the most efficient and expeditious manner possible.

PAYMENT ON PURCHASE CONTRACTS

The Committee recommends a limitation of \$126,752,000, a reduction of \$3,000,000 from the fiscal 1990 budget request, and a decrease of \$6,248,000 below fiscal year 1989.

Purchase contract payments.—Payments are made for liabilities incurred under purchase contract authority. Purchase contract authority, which provided for private investment capital financing of public buildings, expired at the end of 1975. The periodic payments cover principal, interest, taxes, and other requirements.

REAL PROPERTY OPERATIONS

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

PROGRAM DIRECTION AND CENTRALIZED SERVICES

Program direction.—Overall general management, including office automation, financial management, policy development, planning, program evaluation and administration, is funded under this activity.

DESIGN AND CONSTRUCTION SERVICES

Design and construction services.—This activity provides funding for the full range of design and construction services including preparation of drawings and specifications, management and inspection of construction and repairs and alterations projects, other construction related costs and non-project related technical services.

U.S. DISTRICT COURT

The Committee has included funding for site and design for a courthouse to serve the newly created southern division of the U.S. District Court for the District of Maryland.

FEDERAL SUPPLY SERVICE

OPERATING EXPENSES

Appropriation, fiscal year 1989 to date	\$47,000,000
Budget estimate, fiscal year 1990	47,644,000
Recommended in the bill.....	47,644,000
Bill compared with:	
Appropriation, fiscal year 1980	+ 644,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$47,644,000, the full amount of the fiscal 1990 budget request, and an increase of \$644,000 above fiscal year 1989.

This appropriation provides for Governmentwide management of transportation and travel management; transportation audit; property management activities for utilization, rehabilitation, donation and sale of Federal property; legislative/regulatory activities, and, the Schedules program. The major objectives of these programs are to provide excellent support and services to customers while maximizing operational efficiency and continuing to reduce the cost of Government.

Supply operations which include the wholesale, retail, direct delivery, and special orders programs, are now funded through full cost recovery. The price charged to a customer for an item or service in these programs includes the costs for procurement, storage and handling, transportation, contract administration, quality assurance, as well as program direction related to the cost or service. These costs are now reflected in the General Supply Fund as authorized in fiscal year 1988. This method of pricing allows the customer to make a true cost comparison with other sources of supply.

Supply.—The purpose of this activity is to provide a Governmentwide program to contract for commercial-type items required by Federal agencies and other authorized users of the Federal supply system. The program allows Government agencies the option of ordering standard commercial items directly from the contractor at

prices which reflect the discounts associated with volume buying. This budget proposes \$15,924,000 to support this program.

Transportation.—The purpose of this activity is to provide a comprehensive and effective Governmentwide program for transportation and travel management, transportation audits, and development and execution of the automotive procurement functions of the Government. This budget proposes \$15,384,000 to support the transportation programs.

The GSA/FSS transportation and travel management programs continue to provide support and dollar savings for Government agencies through negotiated airline city-pair contracts, Travel Management Centers (TMC), hotel/motel discounts, charge card/travelers check program, automated rate and routing processes, the small package express delivery program, audits of transportation claims by and against the U.S. Government, and the long-term vehicle lease contracts program.

Property management.—This activity manages and operates a Governmentwide excess personal property program including the utilization, donation, and sale of property. It encompasses all Government agencies, and provides for utilization of excess property; donation of surplus personal property for public benefit purposes; sale of surplus and exchange/sale of personal property (except DOD property); and rehabilitation and reclamation of Government personal property to extend its useful life. The budget proposes \$16,336,000 in 1990 to support surplus property processed at an estimated value of \$1.2 billion.

Reimbursable operations.—This activity provides supply support services to other Government agencies on a reimbursable basis, principally involving (1) the provision of technical support services to the Government of Saudi Arabia for a joint U.S./Saudi Arabian project, (2) the printing of the Federal Travel Directory through a reimbursable agreement with the Military Traffic Management Command, and (3) the Department of Energy Methanol Fuel Testing Program. The budget proposes a level of reimbursable services of \$5,957,000 in 1990.

ANALYSIS OF AUTHORIZED LEVEL FOR FISCAL YEAR 1990

[Dollars in thousands]

	FTE positions	Amount
Fiscal year 1989 level authorized by Public Law 100-440.....	934	\$47,000
Fiscal year 1990 estimate	893	47,644
Changes from 1989 to 1990	-41	+644

HIGHLIGHTS OF FISCAL YEAR BUDGET CHANGES

Net increase of \$644,000 and reduction of 41 average positions from the FY 1989 level. Increases consist of:

- \$832,000 for Central Office relocation.
- \$75,000 for travel for vehicle sales.
- \$320,000 for Washington Interagency Telephone System (WITS).
- \$355,000 for inflation.

These increases of \$1,582,000 are offset by a decrease of \$938,000 for ADP Contract support and 41 average positions due to A-76 initiatives.

STAFFING

The Committee allows the 893 positions requested for 1990, a reduction of 41 below the 934 positions authorized in 1989.

FEDERAL PROPERTY RESOURCES SERVICE

Appropriation, fiscal year 1989 to date	\$10,800,000
Budget estimate, fiscal year 1990	12,174,000
Recommended in the bill.....	12,174,000
Bill compared with:	
Appropriation, fiscal year 1989	+1,374,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$12,174,000, the full amount of the fiscal 1990 budget request, and an increase of \$1,374,000 above fiscal year 1989.

This appropriation funds the utilization and disposal of excess and surplus real property. The estimate for 1990 is for activities related to the Real Estate Policy and Sales program, the appraisal of real property, and continuing emphasis on reuse of existing real property to extend its useful life.

Real estate policy and sales.—This activity promotes maximum utilization of real property by Federal agencies and the transfer among agencies of excess real property. It provides for the disposal of surplus real property by sale, exchange, lease, permit, assignment, or transfer, as well as the protection and maintenance of excess and surplus property pending its disposition. It also provides for the appraisal of excess and surplus property, necessary environmental and cultural analyses, disposition and predisposition reuse planning, and real property utilization surveys.

The management of the National Defense Stockpile has been transferred to the Department of Defense, and is reflected in the Defense Chapter of the Budget.

HOMELESS ACT

The Federal Property Resources Service has substantial responsibilities for enforcing property disposition in major legislation, including the McKinney Homeless Act, military base closures, prisons and drug rehabilitation and public benefit programs. In the past 6 years, it has handled over \$1 billion in property dispositions. The Service has been cost effective and established a commendable record. The Committee is concerned that any major reorganization of the Federal Property Resources Service only occur after the Committee has been fully consulted. The Administrator of GSA is directed to inform the Subcommittee of any major proposed change in the organization of FPRS in advance of taking any such action.

ANALYSIS OF AUTHORIZED LEVEL OF FISCAL YEAR 1990

[Dollars in thousands]

	FTE positions	Amount
Fiscal year 1989 level authorized by Public Law 100-440.....	148	\$10,800,000
Estimated fiscal year 1990.....	148	12,174,000
Changes from fiscal year 1989 to fiscal year 1990.....		+1,374,000

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

Increase of \$1,374,000 from the FY 1989 level consisting of:

\$1,234,000 for protection and maintenance.

\$60,000 for annualized pay.

\$42,000 for rent.

\$38,000 for inflation.

STAFFING

The Committee allows the 148 positions requested for 1990, the same number authorized in 1989.

REAL PROPERTY RELOCATION

Appropriation, fiscal year 1989 to date.....	\$4,000,000
Budget estimate, fiscal year 1990.....	10,000,000
Recommended in the bill.....	8,000,000
Bill compared with:	
Appropriation, fiscal year 1989.....	+4,000,000
Budget estimate, fiscal year 1990.....	-2,000,000

The Committee recommends an appropriation of \$8,000,000, a reduction of \$2,000,000 below the fiscal 1990 budget request, and an increase of \$4,000,000 above fiscal year 1989.

This appropriation covers relocation costs involved in moving agencies from valuable underutilized property, targeted for public sale, to facilities determined to be more economically suitable to their needs. For 1988, approved allocations to other agencies for relocation purposes amounted to \$4.1 million with an average benefit/cost ratio of 6:1. The sale of these valuable underutilized properties would provide significant revenue to the Treasury and would far outweigh the relocation costs involved.

The funds requested for this activity will be used to support the goal of the Federal Property Resources Service and the objective of Executive Order 12512, which is to provide for the optimum utilization of Federally-owned real property. Currently, valuable Government-owned property exists that is now underutilized but which has not been released for disposal by the landholding agencies. This is often due to the high costs of relocating personnel and equipment, and of acquiring new facilities.

Such properties could provide significant revenue if sold, but under current laws, the holding agency usually must provide the funds for relocations. For these reasons, agencies are reluctant to release properties for sale regardless of their value and suitability for commercial use. By providing agencies with these funds, there is an incentive for them to agree to move. Further, long term sav-

ings will result from the operation and maintenance of facilities better suited to agency missions.

GENERAL MANAGEMENT AND ADMINISTRATION

Appropriation, fiscal year 1989 to date	\$120,774,000
Budget estimate, fiscal year 1990	124,297,000
Recommended in the bill.....	140,449,000
Bill compared with:	
Appropriation, fiscal year 1989	+19,675,000
Budget estimate, fiscal year 1990.....	+16,152,000

The Committee recommends an appropriation of \$140,422,000, \$16,152,000 over the fiscal 1990 budget request, and an increase of \$19,675,000 above fiscal year 1989.

The Committee has included \$16,152,000 to be allocated as grants as shown in the bill.

This appropriation provides for policy direction and coordination of all GSA programs by the Administrator, Deputy Administrator, and Regional Administrators. It also provides for congressional and public affairs activities; agencywide acquisition policy, planning and coordination; and agencywide administrative, financial, and management support services on a centralized and integrated basis.

Policy direction.—This activity provides for the formulation and execution of agency policy, legal advice and services, equal employment opportunity, oversight of the acquisition process and for all functions assigned GSA by the Federal Property and Administrative Services Act of 1949 as amended. Provides liaison with the Small Business Administration on national minority business proposals and contracts to ensure that minority and small businesses receive a fair share of the agency's business.

Comptroller.—The Comptroller provides budgetary policy and liaison activities with Congress and OMB; accounting services; and management, review and oversight of financial management systems to GSA's services and staff offices. In addition, the Comptroller administers GSA's commercial activities program (A-76 and other Privatization efforts) and provides accounting services to the Department of Justice in defense of Indian tribal claims against the U.S. Government and to other Federal agencies and commissions.

Administration.—This activity is responsible for the planning, implementation, and coordination of all activities of GSA related to personnel management, including labor management relations, training, organization improvement, cost reduction, productivity measurement and the procurement of management consulting services by contract. It ensures implementation of audit reports from the Office of Inspector General and the GAO, and physical security surveys to prevent misuse and theft of GSA assets. Responsible for Government-wide initiatives assigned to the GSA Administrator (e.g., Reform 88, the President's Council on Management Improvement (PCMI) and the Grace Commission). It administers the Congressional Furnishings program for the U.S. Senate and the House of Representatives. This activity also includes the Regulatory Information Service Center which compiles and analyzes the data on both Government-wide and agency-specific regulatory activities. It coordinates all activities of GSA related to administra-

tive management, and the management of the GSA printing and distribution program.

Board of Contract Appeals.—In accordance with the Contract Disputes Act of 1978, the Board has jurisdiction over any dispute relating to a contract for the provision of goods and services to the Government, inclusive of, but not limited to, disputes clause cases concerning contract performance; appeals of disappointed bidders; and proposed debarment or suspension actions. In addition, the Board serves as an administrative trial court for resolution of ADP bid protests under the Competition in Contracting Act, Title VII of the Deficit Reduction Act (Public Law 98-369).

LAW CLERK PROGRAM

General Services Administration is directed to plan a law clerk program for the Board of Contract Appeals and request appropriate levels of funding for fiscal year 1991.

ANALYSIS OF AUTHORIZED LEVEL FOR FISCAL YEAR 1990

[Dollars in thousands]

	FTE positions	Amount
1989 level authorized by Public Law 100-440.....	2,028	\$120,774
Estimated fiscal year 1990.....	2,033	124,297
Changes from 1989 to 1990.....	+5	+3,523

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

Increase of \$3,523,000 and 5 average positions from the FY 1989 level consisting of:

- \$1,550,000 for Sperry conversion.
- \$300,000 for drug testing and awareness program.
- \$1,114,000 for inflation.
- \$239,000 for rent increase.
- \$320,000 for FERS.

The increase of 5 average positions is due to full utilization of authorized positions (4) and the Regulatory Information Service Center (RISC) (1).

CREDIT CARD STUDY

The Committee is concerned over recent reports that there have been difficulties surrounding the use of Government issued credit cards and the accompanying accounting procedures. It would appear that new procedures place the accounting burden on employees in that agencies do not have specific time limits in which to process vouchers filed by employees. It may also be more difficult for an agency to maintain a consolidated account. The Committee is also concerned over the selection procedures for card companies and would be interested in knowing if competition could secure a more favorable rate or service level for the Government and its employees and whether flexibility should be provided to agencies to select alternative providers. Finally, it appears that training is in-

sufficient for users of these cards. The Committee therefore directs the General Accounting Office to review this issue in depth with the Office of Management and Budget and the General Services Administration and report back to the Committees on Appropriations with a study of this issue and if necessary, recommendations for action to improve the situation by no later than 90 days from enactment of this act.

SAN FRANCISCO BUILDING

The Committee continues to support the establishment of a new Federal Building in San Francisco, California, as authorized by Public Law 100-202 and Senate Report 100-160.

In accordance with the terms and conditions put forth in Public Law 100-202 and its accompanying reports, the City of San Francisco, in cooperation with the General Services Administration (GSA), is to identify and donate a site for the purpose of establishing a Federal Building in San Francisco. The Committee is informed that the City of San Francisco, over the past two years, has identified a number of prospective sites for the proposed Federal Building and has aggressively pursued all possible options for donating a site free and clear to the GSA for the purpose of constructing this important building.

The Committee is pleased to note that GSA is cooperating with the City in reviewing these options, and encourages the Administrator of GSA to continue to aggressively pursue all alternatives with the City of San Francisco to bring the new Federal Building online. The Committee also notes that a new possible site in the City has been identified and is being explored for possible development of the Federal Building.

The Committee encourages both GSA and the City to reach an accord on a site for the new Federal Building during the course of fiscal year 1990, and requests that the GSA submit regular quarterly reports on the progress of GSA and the City of San Francisco in bringing this important project to fruition.

STAFFING

The Committee allows the 2,033 positions requested for 1990, an increase of 5 over the 2,028 positions authorized in 1989.

INFORMATION RESOURCES MANAGEMENT SERVICE

Appropriation, fiscal year 1989 to date	\$31,875,000
Budget estimate, fiscal year 1990	32,480,000
Recommended in the bill.....	32,480,000
Bill compared with:	
Appropriation, fiscal year 1989	+ 605,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$32,480,000, the full amount of the fiscal 1990 budget request, and an increase of \$605,000 above fiscal year 1989.

This appropriation provides for the overall direction and coordination of comprehensive Government-wide programs for the management, procurement, and utilization of automatic data processing, telecommunications, and office information equipment and

services. It provides for the development and coordination of Government-wide policies, procedures and regulations pertaining to ADP, telecommunications, and office information systems acquisition, management and utilization; provides information services to the public; and provides for the overall management of operations financed through the Information Technology (IT) Fund.

Federal information resources management.—This activity develops, plans and directs Government-wide programs governing the management and acquisition of Federal information resources. It also develops and monitors Government-wide policies and regulations, reviews Federal agencies' implementing programs, and conducts long-range planning and research relating to future Government-wide information resources management needs.

Central information services.—This activity manages and directs GSA's Government-wide information resources assistance program, the GSA-wide ADP and office automation programs, and the provision of automated information resources within the Information Resources Management Service (IRMS), including the operation and maintenance of the Federal Domestic Assistance Program. It also develops and implements Government-wide information resources assistance policies related to software, hardware, data communications, office automation, planning, and agencywide policies related to managing ADP and office automation resources.

Information resources procurement.—This activity directs, administers, and manages Government-wide acquisition programs for ADP and telecommunications equipment, software, services, and related items; procures circuit facilities, services, and terminal and special purpose equipment competitively; directs the development of and implements new acquisition techniques and programs for ADP and telecommunications; maintains liaison with industry associations and State, local and foreign governments in ADP and telecommunications matters; conducts specific economic analyses required by IRMS to achieve its program objectives; represents the Government before State telephone rate commissions when proposed rate changes are determined to have a large impact on Government costs; and manages reimbursable ADP and telecommunications procurement programs financed through the Information Technology Fund.

Telecommunications services.—This activity manages and directs activities of IRMS that relate to reimbursable telecommunications programs including the present Federal Telecommunications System (FTS) and its replacement, FTS 2000; Washington Interagency Telecommunications System (WITS), the acquisition of telecommunications services, and telecommunications marketing and user services programs. It also develops overall telecommunications and regional objectives, long-range plans, comprehensive programs, and organization and operating methods needed to accomplish program objectives. Additionally, coordinates and oversees all activities (ADP and Telecommunications) relating to IRMS programs carried out in the GSA regions. It is also responsible for operation of the Federal Information Center Program, which provides information services for the public and business community on the Federal Government programs.

Information security oversight office.—This activity provides oversight for the information security program established by Executive Order 12356. This involves monitoring the information security programs of approximately 80 executive branch agencies. Major responsibilities include the conduct of on-site reviews and the development and promulgation of directives necessary for the implementation of the order. The Oversight Office establishes requirements for reports from agencies, analyzes data received together with data collected from on-site reviews, and advises agencies about any deficiencies or violations.

National security emergency preparedness.—This activity provides a flowthrough funding mechanism for GSA's share of payments to the Department of Defense (DOD) in support of the National Communications System (NCS).

ANALYSIS OF AUTHORIZED LEVEL FOR FISCAL YEAR 1990

[Dollars in thousands]

	FTE positions	Amount
Fiscal year 1989 level authorized by Public Law 100-440.....	411	\$31,875
Estimated fiscal year 1990.....	367	32,480
Changes from 1989 to 1990.....	-44	+605

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

Net increase of \$605,000 and a reduction of 44 average positions from the FY 1989 level. Increases consist of:

\$12,000 for growth of the Information Security Oversight Office.

\$150,000 for upgrade of ADP systems.

\$241,000 for OFPP reporting requirements.

\$233,000 for inflation.

\$254,000 for PMS/PMRS awards.

\$48,000 for rent increase.

\$7,000 for the FERS

STAFFING

The Committee allows the 367 positions requested for 1990, a reduction of 44 below the 411 positions authorized in 1989.

OFFICE OF THE INSPECTOR GENERAL

Appropriation, fiscal year 1989 to date	\$25,000,000
Budget estimate, fiscal year 1990	26,500,000
Recommended in the bill.....	26,500,000
Bill compared with:	
Appropriation, fiscal year 1989	+1,500,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$26,500,000, the full amount of the fiscal 1990 budget request, and an increase of \$1,500,000 above fiscal year 1989.

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 audits function provides internal audit, contract audit, and inspections services. Contracts 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. Inspections services provide detailed technical evaluations of GSA operations. The investigative function provides for the detection and investigation of improper and illegal activities involving GSA programs, personnel, and operations.

ANALYSIS OF AUTHORIZED LEVEL FOR FISCAL YEAR 1990

[Dollars in thousands]

	FTE positions	Amount
Fiscal year 1989 level authorized by Public Law 100-440	425	\$25,000
Estimated fiscal year 1990	425	26,500
Change from fiscal year 1989 to fiscal year 1990		+1,500

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

Increase of \$1,500,000 from the FY 1989 level consisting of:

\$67,000 for increased cost of FERS.

\$72,000 for inflation.

\$241,000 for pay raise annualization.

\$214,000 for rent.

\$857,000 for ADP systems implementation.

\$49,000 for office relocation.

STAFFING

The Committee allows the 425 positions requested for 1990, the same number authorized in 1989.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriation, fiscal year 1989 to date	\$1,431,000
Budget estimate, fiscal year 1990	1,823,000
Recommended in the bill.....	1,823,000
Bill compared with:	
Appropriation, fiscal year 1989	+392,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$1,823,000, the full amount of the fiscal 1990 budget request, and an increase of \$392,000 above fiscal year 1989.

This appropriation provides for the pensions, office staffs and related expenses for former Presidents Richard M. Nixon, Gerald R. Ford, Jimmy Carter, and Ronald Reagan and for a pension and postal franking privileges for the widow of former President Lyndon B. Johnson.

ANALYSIS OF AUTHORIZED LEVEL FOR FISCAL YEAR 1990

[Dollars in thousands]

	Amount
1990 level authorized Public Law 100-440	\$1,431
Estimated fiscal year 1990	1,823
Changes from 1989 to 1990	+ 392

HIGHLIGHTS OF FISCAL YEAR 1990 BUDGET CHANGES

Increase of \$392,000 from the FY 1989 level, consisting of:
 \$348,000 for increased staff compensation, and rent increases for former President Reagan.
 \$30,000 for increased pension costs for former President Reagan.
 \$14,000 for office support costs.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS—FISCAL YEAR 1990

	Former Presidents				Widows	Total
	Nixon	Ford	Carter	Reagan		
Personnel compensation	\$96,000	\$93,100	\$96,000	\$150,000		\$435,100
Personnel benefits	19,200	23,000	23,100	33,000		98,300
Benefits for former personnel: Pensions	99,500	99,500	99,500	99,500	\$20,000	418,000
Travel	19,600	41,900	10,300	42,000		113,800
Motor Pool		2,000	6,200	2,000		10,200
Transportation of things	2,000	2,000		2,000		6,000
Rental payments to GSA	133,000	75,000	76,700	140,000		424,700
Communications, utilities and miscellaneous charges:						
Equipment rental	5,100	2,000		2,000		9,100
Telephone	37,000	56,100	32,100	56,000		181,200
Postage	4,200	8,300	8,400	8,200	2,200	31,300
Printing	2,000	2,900	9,300	2,900		17,100
Other services	4,100	7,100	9,500	7,100		27,800
Supplies and materials	4,000	9,800	11,600	9,800		35,200
Equipment	1,000	4,100	5,100	5,000		15,200
Total obligations	426,700	426,800	387,800	559,500	22,200	1,823,000

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

SECTIONS 1-7

Sections 1 through 7 were included in the fiscal year 1989 Act and are being continued in fiscal year 1990.

SECTION 8

The Committee is very concerned over the deplorable working conditions at the IRS Manhattan Office in New York. Non-operating elevators and heating and cooling systems, rodent infestation, leaking ceilings, possible fire code violations and unhealthy working environment describes the more serious problems at this leased space location. The Committee believes that the Administrator should accomplish immediate corrections to these problems and if

unable to secure improvements by the landlord in a cost-efficient and timely fashion, to terminate the lease and relocate the employees to quality working space.

SECTION 9

In the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), agencies were directed to conduct cost studies of their motor vehicle operations, comparing their costs to those of the GSA's Interagency Fleet Management System and qualified fleet management firms. The intent of the Congress in requiring the COBRA studies was to reduce the Government's motor vehicle costs through agencies' using the lowest cost source available for vehicle services. However, existing resources in the GSA's General Supply Fund (GSF) prevent the Government from obtaining the cost reduction anticipated by this Committee with enactment of the COBRA provision.

It is estimated that as many as 176,000 more vehicles could be added to GSA's existing fleet of 116,000 vehicles through COBRA and consolidation cost studies, if GSA turns out to be the low cost offeror of vehicles and services. These would be vehicles currently in other agencies' vehicle fleets. The vehicles brought into the GSA fleet would require eventual replacement. Since funds are not available in the GSF to purchase the replacements, GSA would have to obtain the replacement vehicles through lease. Although vendors would offer the Government substantially lower prices under multiyear leases than with annual operating leases, existing GSF authorities require obligating either the entire amount of the payments due under a multiyear lease or the annual amount plus any cancellation costs. The GSF does not have adequate funding to permit obligations of such magnitude, thus multiyear leasing could not be used with the resultant savings to the Government. Up to \$172 million would be saved over the next four years if GSA were to acquire the additional vehicles under firm-term multiyear leases rather than annually renewable operating leases. The obligation of only the annual amount due under multiyear contracts, as provided in the General Provision language, would permit GSA to effect these savings.

This General Provision is intended to serve as a temporary remedy so that the savings envisioned by COBRA can be achieved in those cases where GSA is the successful bidder. However, if permanent authority is not in place prior to the expiration of this provision, GSA would then be required to utilize annual operating leases which are not cost effective. The Committee directs GSA to submit proposed legislation to provide a permanent solution so the Interagency Fleet Management System can acquire vehicles in the most cost effective manner resulting in the lowest lease cost to user agencies.

SECTION 10

Public Law 100-440 contains a general provision which directs the Administrator of General Services to acquire, by lease purchase, a facility in Memphis, Tennessee to house the Internal Revenue Service. The size and associated dollars shown in the provision

to undertake the project were based on preliminary estimates. Since that time, additional expansion space for IRS functions has been identified and language has been inserted to update the earlier amounts.

SECTION 11

In response to a comprehensive and exhaustive study conducted by the United States Fish and Wildlife Service over a period of four months and in consultation with the General Services Administration, the Committee has included language requiring the "lease-construction" of a new facility to house the Region 5 office of the U.S. Fish and Wildlife Service (USFWS). All options for housing this office were considered, and the lease-construct approach was deemed to be the most cost effective for the government.

As determined by the relocation study, this provision requires the GSA to enter into a lease agreement that will provide for the construction of new office space for the USFWS Region 5 office in Massachusetts. The building to be leased shall be one constructed specifically to the specifications of the Government. Because of the close working relationship between the USFWS and the University of Massachusetts, the facility shall be located near the Amherst campus, in Hampshire County or Holyoke, Massachusetts. Within the areas designated by this proviso, eligible sites for the construction of this facility may be further limited by the General Services Administration with the concurrence of the USFWS. The General Services Administration shall consult closely with the USFWS throughout the entire planning and construction process. Prior to the determination of the area of eligible sites and before selecting the design and location of the new facility, the concurrence of the USFWS is required.

Some resources necessary to ensure that the facility is operational when the regional office staff is ready to relocate are provided. Not more than \$100,000 is made available for expenses related to the telecommunications systems for the new facility.

SECTION 12

The Committee had inserted a provision which provides that the Administrator of GSA shall lease approximately one hundred thousand occupiable square feet of office and special purpose space to provide for relocation and consolidation of the outpatient clinic functions in Boston, Massachusetts, currently located in an outdated Federal building at 17 Court Street.

SECTION 13

The Committee had inserted a provision which provides that the Secretary of Commerce shall transfer to the General Services Administration at no cost approximately fifteen acres of the site at 325 Broadway in Boulder, Colorado, for the construction of a new Federal Building to house the National Oceanic and Atmospheric Administration. In selecting the land to be transferred, the Secretary shall give appropriate consideration to access from Broadway and the availability of utilities.

SECTION 14

The Committee is concerned over the cost of Federal office space in the Washington metropolitan region and in other regions and areas of the country and believes that broader competition will benefit both the taxpayer and Federal employee in terms of leased Government space. In the Washington metropolitan region, for example, prices can range from less than \$20 a square foot to nearly \$40 a square foot depending on the location, and the Government should clearly be seeking to enjoy the benefit of full competition to enjoy the best possible rate available. The Committee is aware that the authorizing committees are reviewing this issue and encourages their efforts to establish a nationwide policy in this regard. The Committee has included language requiring that any space acquisition over 100,000 square feet, be it leased, leased-purchase, or direct construction, or purchase including the proposed acquisitions and or renewal of leases for the Department of the Navy, the Internal Revenue Service, the Environmental Protection Agency and all future acquisitions for space for Federal agencies in the Washington metropolitan region, be advertised on a region-wide basis and directing the Administrator, subject to authorization, to competitively acquire the space by selecting quality space at the lowest possible cost in the region. Quality space shall include access to public transportation or adequate parking for Federal employees and such amenities that are commonly available to employees, including any additional amenities that may be secured through the competitive process which would improve the quality of life for Federal employees.

SECTION 15

The Committee has inserted a provision which provides that the General Services Administration is authorized to sell, at fair market value, the Grove Arcade Federal Building and site, in whole or in part, in Asheville, North Carolina, and to deposit such proceeds into the Federal Building Fund.

SECTION 16

The Committee has inserted this provision which directs the County of Los Angeles, California to provide to the General Services Administration, without cost to the federal government, 250 parking spaces for a period of 99 years. The parking spaces are to be provided in the Parking Facility at Long Beach, California for which a grant is provided from funds appropriated to the Federal Buildings Fund. The Committee directs that this provision be made part of the formal grant agreement entered into by the General Services Administration and the County of Los Angeles.

MARTIN LUTHER KING, JR., FEDERAL HOLIDAY COMMISSION

SALARIES AND EXPENSES

Appropriation, fiscal year 1989 to date	
Budget estimate, fiscal year 1990	\$300,000
Recommended in the bill.....	300,000

Bill compared with:	
Appropriation, fiscal year 1989	+300,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$300,000, the same amount as the budget request.

This Commission was established in order to encourage appropriate ceremonies and activities throughout the United States relating to the observance of the Federal legal holiday honoring Martin Luther King, Jr., and to provide advice and assistance to Federal, State, and local governments and to private organizations with respect to the observance of such holiday.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

Appropriation, fiscal year 1989 to date	\$121,900,000
Budget estimate, fiscal year 1990	122,612,000
Recommended in the bill.....	126,612,000
Bill compared with:	
Appropriation, fiscal year 1989	+4,712,000
Budget estimate, fiscal year 1990.....	+4,000,000

The Committee recommends an appropriation of \$126,612,000, an increase of \$4,000,000 above the fiscal 1990 budget request, and an increase of \$4,712,000 above the fiscal year 1989.

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.

Records centers.—This activity provides for the accessioning, storage, reference service, and disposal of the semiactive and noncurrent records of Federal agencies through a nationwide system of 14 records centers. Significant savings result from use of low cost records storage and the efficient and timely disposal of nonpermanent records.

Archives and related services.—This activity provides for selecting, preserving, describing, and making available to the general public, scholars, and Federal agencies, the permanently valuable records of the Federal Government and the historical material in Presidential libraries, related publications and exhibit programs, and the appraisal of all Federal records. It also provides for the publication of the *Federal Register* and *Code of Federal Regulations*, the *U.S. Statutes-at-Large*, Presidential documents and for a program to improve the quality of regulations and the public's access to them. It also provides for the National Audiovisual Center's audiovisual information and management programs.

Through the records declassification program, historically valuable information in the records of the Federal Government and in donated historical materials are made available to the public by declassifying as much information as possible without endangering the national security.

National Historical Publications and Records Commission.—This Commission coordinates and provides technical assistance to archival planning and assessment projects in many States and also offers a specialized reference service to Federal, State and local and nongovernment institutions that are publishing significant portions of records from official government files. The Commission also

lends its endorsement and support to those specific projects that further the basic objectives stated in its legislation. The Committee has provided \$4,000,000 for this Commission.

SUMMARY OF FISCAL YEAR 1990 BUDGET REQUESTS

Increases:

Declassification program	+ \$407,000
Program restoration	2,593,000
House Library repairs	5,000,000
Rental payments to GSA	961,000
Increased cost of goods and services	658,000
Operating increase costs for Archives and Presidential Libraries	1,298,000
Annualization of pay increase	554,000
Total increase.....	+11,471,000

Reductions:

Reagan Library startup	-\$1,934,000
Archival branch relocation	-600,000
Grants.....	-4,000,000
Calvin Coolidge Papers	-125,000
Kennedy Library improvement project	-4,100,000
Total reductions.....	-10,759,000

Net increases..... +712,000

STAFFING

The Committee allows the 2,037 positions requested for 1990, the same number authorized in 1989.

OFFICE OF GOVERNMENT ETHICS

Appropriation, fiscal year 1989 to date	
Budget estimate, fiscal year 1990	\$3,414,000
Recommended in the bill.....	3,414,000
Bill compared with:	
Appropriation, fiscal year 1989	+3,414,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$3,414,000, the full amount of the fiscal 1990 budget request, and an increase of \$3,414,000 above fiscal year 1989.

In 1990, the Office of Government Ethics (OGE) will function as an independent agency of the executive branch charged by law to provide overall direction of executive branch policies designed to prevent conflicts of interest and insure high ethical standards. The OGE will discharge its responsibilities to preserve and promote public confidence in the integrity of Federal 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; monitoring compliance with the public and confidential financial disclosure requirements of the Ethics in Government Act of 1978 and the FY 1986 Appropriations Act of December 19, 1985, Public Law 99-190 to determine possible violations of applicable laws or regulations and recommending appropriate corrective action; consulting with and assisting various officials in evaluating the effectiveness of ap-

plicable laws and the resolution of individual problems; and preparing 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. In accordance with the Ethics in Government Act as amended by Public Law 98-150, it is estimated that requests for appropriations for the next four fiscal years beginning in 1991 will be \$3,423,000, \$3,441,000, \$3,457,000 and \$3,469,000 respectively.

SUMMARY OF FISCAL YEAR 1990 BUDGET INCREASES

Fiscal year 1989 total obligations (included in Office of Personnel Management budget).....	\$1,822,000
Increase to create a fact-finding/adjudicatory unit to better carry out OGE's regulatory and enforcement function (\$121); establish a "desk officer" system to increase the frequency of agency reviews and effectiveness of compliance enforcement (\$272); establish a statistical review and analysis unit to compile government-wide statistics for improved reporting of program data requested by Congressional oversight committees (\$81); and initiate comprehensive revisions of OGE regulations in order to reflect statutory changes, provide more factual illustrations, and incorporate interpretations developed since the regulations were first issued in 1979 (\$34)	508,000
Increase to oversee improvements in delivery of training courses nationwide and better coordinate the increasing demands for information by the Congress, press, public inquiries and FOIA by establishing a Public Affairs office.....	112,000
Increase for establishing a program management function to handle the administrative duties of an independent agency	54,000
Increase in travel funding to accomplish increased frequency of regional audits and nationwide training activity.....	24,000
One-time increase in support costs associated with an increase in FTE's (ADP, furniture, phones, supplies, etc.)	167,000
<i>Nonprogrammatic changes</i>	
Increase in overhead expenses (e.g., space, mail, FTS, etc.) that had previously been funded within OPM's Salary and expense appropriation	717,000
Appropriation	717,000
Increase in the costs of required non-salary items resulting from inflation	10,000
Total changes	1,592,000
Fiscal year 1990 total obligations.....	3,414,000

STAFFING

The Committee allows the 53 positions requested for 1990.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

APPROPRIATION

Appropriation, fiscal year 1989 to date	\$108,000,000
Budget estimate, fiscal year 1990	113,668,000
Recommended in the bill.....	113,668,000
Bill compared with:	
Appropriation, fiscal year 1989	+5,668,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$113,668,000, the full amount of the fiscal 1990 budget request, and an increase of \$5,668,000 above fiscal year 1989.

The Office of Personnel Management is responsible for personnel management functions which include the following activities:

Career entry and employee development.—This activity consists of: (a) recruiting; (b) examining; (c) developing qualification standards; (d) administering the affirmative employment program; and (e) employee development.

Investigations.—This activity focuses on assuring applicant and appointee fitness and suitability.

Personnel system and oversight.—This activity includes: (a) managing human resource systems innovation and simplification; (b) developing pay and leave administration policy; (c) managing employee health programs; (d) conducting personnel management evaluations; (e) managing employee and labor relations; (f) developing classification standards; and (g) providing work-force information.

Administrative services.—This activity includes: (a) personnel and equal employment opportunity; (b) finance; (c) facilities, publishing and acquisitions management; and (d) library and health services in support of all OPM programs.

ADP services.—This activity consists of the central computing facility and related functions in support of program requirements.

Executive services.—This activity includes: (a) executive direction; (b) policy development; (c) legal advice and representation; (d) public affairs; (e) legislative activities; (f) budget; and (g) administration of the Senior Executive Service system.

Other programs.—This activity includes: (a) administering the Voting Rights Act of 1965; (b) operating expenses of the President's Commissions on Executive Exchange and White House Fellows; and (c) operating expenses for Federal Executive Boards.

Mandatory payments.—This activity finances certain mandatory overhead expenses including: (a) reimbursements to GSA for space rental and for Federal telecommunications services (FTS); (b) reimbursements to the U.S. Postal Service for penalty mail and parcel post; (c) reimbursements to the Department of Labor for workers compensation and unemployment benefits paid; and (d) other miscellaneous services.

Reimbursable programs.—The OPM performs reimbursable work at the request of other agencies and administers retirement and insurance programs for the Federal employees and retired Federal employees. These programs include the Civil service retirement and disability fund, the Employees life insurance fund, the Employees health benefits fund, and the Retired employees health benefits fund. Administrative expenses are financed through the transfer of funds from the appropriate trust funds.

ADMINISTRATIVE APPEALS

The Committee is concerned that there is no administrative appeal on determinations made by Federal employee group life insurance carriers, though such appeals do exist for health claims. Federal employees therefore face a situation during disputes where

they must face the carrier and its unlimited resources alone, without assistance from the Government. The Committee directs the Office of Personnel Management to review this issue and report back to the Committee by February 1, 1990, on the feasibility and cost estimates for providing an administrative appeal for Federal employees for adverse determinations within the FEGLI program.

RECRUITING EFFORTS

The Committee expects that OPM will expand its efforts to develop innovative recruitment methods to attract the interest of potential future employees to the Federal Government, such as the "Saturday Academy" program in Washington, DC.

ANALYSIS OF FISCAL YEAR 1990 INCREASES

[Amounts in thousands]

Fiscal year 1989 total obligations.....	\$108,000
<hr/>	
Career entry and employee development:	
Increases to automate job information and test scoring (\$650), improve affirmative recruiting and employment (\$50) and process additional workload (\$20), offset by non-recurring equipment costs (-\$700), one-time funding for Civil Service 2000 initiatives (-\$435) and savings resulting from actions taken in response OMB Circular A-76 (-\$50).....	-465
Retirement and insurance:	
Decrease for the one-time funding of Civil Service 2000 initiatives.....	-202
Personnel systems and oversight:	
Increases to expand the number of interagency research projects (\$361), develop new approaches to the white collar pay system (\$375) and improve monitoring of agency personnel delegations (\$716), offset by decreases for one-time funding of Civil Service 2000 initiatives (-\$202) and one-time funding of the Federal Employee Health Promotion and Disease Prevention Project (-\$349) ..	+901
Administrative services:	
Increases to provide personnel assistance to clients (\$82), expand space renovation and office improvement projects (\$122), and increase in the share of administrative costs for S&E programs (\$259), offset by decreases for Civil Service 2000 initiatives (-\$61) and savings from actions taken in response to OMB Circular A-76 (-\$15).....	+387
ADP Services	
Increases for replacement of inadequate telecommunications equipment, work stations, and cabling (\$210), contract maintenance for key procurement, financial and administrative systems (\$256), correct facility and security weaknesses and disaster recovery programs (\$236), study future ADP requirements (\$162) and increase in the share of ADP services costs for Salaries and Expenses programs (\$55), offset by savings from actions taken in response to OMB Circular A-76 (-\$55).....	+864
Executive services:	
Increases for auditing local campaign operations that participate in the Combined Federal Campaign (\$326), funding of regional directors (\$36) and increase in share of executive service costs for Salaries and Expenses programs (\$196), offset by the transfer of the Office of the Inspector General to a separate appropriation (-\$372) and one-time funding of Civil Service 2000 initiatives (-\$100).....	+86
Government ethics:	
Decrease as the Office of Government Ethics becomes a separate agency	-1,822

Other programs:

Increases to assume responsibility for funding of the Federal Executive Boards (\$3,473); for the President's Commission on Executive Exchange to expand the staff for the science and technology initiative (\$200), expand the data base system (\$51), and provide travel funds for new Commissioners (25); an increase to improve the recruiting campaign of the President's Commission on White House Fellows (\$26); and to increase the number of Voting Rights observations (\$210) +3,985

Mandatory payments:

Net change is attributed to increases in rental costs and miscellaneous communication costs, offset by the transfer of a share of these costs to the Inspector General's appropriation and the Office of Government Ethics, a reduction in the number of Presidential Management Interns, and termination of the Commission on Executive, Legislative and Judicial Services -519

Nonprogrammatic changes: all activities:

Increases for cost of within grades and merit pay (\$750), government share of health insurance (\$592), FERS benefits (\$456), and inflation (\$655) +2,453

Total changes..... +5,668

Fiscal year 1990 total obligations..... 113,668

DELAY IN RECEIPT OF REFUND AND RETIREMENT CHECKS

While the Committee commends the progress made in the past year, it remains concerned that many separating employees are experiencing significant delays in receipt of their refund or their first retirement check. The Committee, therefore, directs OPM to take all possible steps to reduce the waiting period for the refund or the first retirement check to no more than 60 days. OPM is directed to report back to the subcommittee by March 1, 1990, on what steps have been taken to accomplish this goal and recommendations for further reducing the maximum waiting period. In addition, the report should provide quarterly data indicating: The number and percentage of retirement/refund records that are received within 30, 60, and more than 60 days (to be arrayed by submitting agency); the percentage of retirement cases placed in an interim payment status; the time required, measured from receipt date, to authorize the refund or the first retirement payment and any additional information that OPM believes should be considered in addressing the late payment.

All executive agencies are directed to provide necessary papers to OPM so that they are received within 30 days after employees retire or separate.

FEDERAL JOB-SHARING PROGRAM

The Committee is aware of the increasing number of federal employees with children and dependent elderly family members and has included \$250,000 for OPM to establish and operate a program designed to facilitate job-sharing arrangements authorized under Public Law 95-437. The Committee expects OPM to act as a clearinghouse for information pertaining to individuals seeking employment under job-sharing arrangements, and any positions that may be filled under such an arrangement. The Committee expects that OPM will automate this clearinghouse function, making it compatible with agency personnel data systems and providing computer-

ized listings for easy access by agencies and applicants. In this regard, OPM should survey agencies to determine what positions are appropriate for listing under the program and how rights and responsibilities would be appointed under a job-sharing arrangement. Data on individuals wishing to be included in listings furnished may include among other information personal qualifications, positions sought, and time of availability for work. The Committee expects OPM to take reasonable measures to provide continuing notice to Government employees and applicants relating to the availability of the program.

STAFFING

The Committee allows the 2,079 positions requested for 1990, an increase of 24 over the 2,055 positions authorized in 1989.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 1989 to date	
Budget estimate, fiscal year 1990	\$2,918,000
Recommended in the bill.....	2,918,000
Bill compared with:	
Appropriation, fiscal year 1989	+2,918,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$2,918,000, the full amount of the fiscal 1990 budget request, and an increase of \$2,918,000 above fiscal year 1989.

This appropriation provides agencywide audit and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste and mismanagement. The audits function provides internal audit, contract audit, and inspections 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. Internal audits review and evaluate all facets of agency operations. Inspections services provide detailed technical evaluations of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

SUMMARY OF FISCAL YEAR 1990 BUDGET REQUEST

Fiscal year 1989 total obligations	
<i>Programmatic changes</i>	
Transfer of funding for the Office of Inspector General from OPM's Salaries and Expenses appropriation (\$372,000) and Reimbursements to Salaries and Expenses \$688,000)	\$1,060,000
Establish a criminal investigations function in the Office of Inspector General.....	300,000
Establish auditing of OPM's reitirement and insurance programs....	450,000
Implement a system of performance evaluations of OPM organizations.....	200,000
Carry out reporting audit followup and independent internal management function	203,000

Costs of mandatory payments, administrative and ADP services previously included in OPM's Salaries and Expenses appropriation and reimbursable programs.....	705,000
Fiscal year 1990 total obligations	2,918,000

STAFFING

The Committee allows the 52 positions requested for 1990.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

Appropriation, fiscal year 1989 to date	\$2,374,414,000
Budget estimate, fiscal year 1990	3,380,169,000
Recommended in the bill.....	3,780,169,000
Bill compared with:	
Appropriation, fiscal year 1989	+1,405,755,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$3,780,169,000, the full amount of the fiscal 1990 budget request, and an increase of \$1,405,755,000 above fiscal year 1989.

This appropriation covers: (1) the Government's share of the cost of health insurance for 1,584,000 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 30,000 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. In accordance with the provisions of Public Law 100-203, the United States Postal Service will make contributions to the Employees health benefits fund in the amount of \$160 million and \$270 million in fiscal years 1988 and 1989, respectively. The budget authority requested for this has been adjusted to reflect these payments.

The use of these funds is reflected in the schedules for the Employees health benefits fund and the Retired employees health benefits fund.

The Committee notes the assurances of the Director of the Office of Personnel Management that the amount of funds appropriated by the Committee for the government's contribution for annuitants in the federal employees health benefits system is sufficient to maintain current service levels. It is the Committee's intent in approving the requested appropriation of \$3,780,169,000 to provide sufficient funds to maintain federal employee health benefits at no less than current levels.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE BENEFITS

Appropriation, fiscal year 1989 to date	\$2,700,000
Budget estimate, fiscal year 1990	2,700,000
Recommended in the bill.....	2,700,000
Bill compared with:	
Appropriation, fiscal year 1989	+2,700,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$2,700,000, the full amount of the fiscal 1990 budget request, and an increase of \$2,700,000 above fiscal year 1989.

Public Law 96-427, Federal Employees' Group Life Insurance Act of 1980, enacted October 10, 1980, requires that all employees under age 65 who separate for purposes of retirement on or after January 1, 1990, continue to make contributions toward their Basic Life Insurance coverage after retirement until they reach age 65. These retirees will contribute two-thirds of the cost of the Basic life insurance premium, identical to the amount of coverage (currently, \$.401 per month of each \$1,000 of coverage). As with active Federal employees, the government is required to contribute one-third of the cost of the premium (currently \$.200 per month for each \$1,000 of coverage) for Basic coverage. OPM, acting as the payroll office on behalf of Federal retirees, is requesting the funds necessary to make the required government contribution associated with annuitants' post-retirement basic life insurance coverage.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Appropriation, fiscal year 1989 to date	\$4,858,668,000
Budget estimate, fiscal year 1990	5,211,732,000
Recommended in the bill.....	5,211,732,000
Bill compared with:	
Appropriation, fiscal year 1989	+ 353,064,000
Budget estimate, fiscal year 1990.....	.....

The Committee recommends an appropriation of \$5,211,732,000, the full amount of the fiscal 1990 budget request, and an increase of \$353,064,000 above fiscal year 1989.

The Civil Service Retirement Amendments of 1969 provide for financing of the current year's costs of the unfunded liability created since its enactment on October 20, 1969. Any statute which authorizes (1) new or liberalized benefits, (2) extension of retirement coverage, or (3) pay increases, is deemed to authorize appropriations to the fund to finance the unfunded liability created.

The Secretary of the Treasury is required to make annual payments from general revenues into the Retirement fund of an amount equivalent to: (1) interest on the unfunded liability, and (2) annuity disbursements attributable to military service. The Office of Personnel Management, at the end of each year, notifies the Secretary of the Treasury of the amount of payment to be made to the Retirement fund and reports such sums to the President and Congress.

The Civil Service Retirement Spouse Equity Act of 1985, Public Law 98-615, provides for the payment of survivor annuities to eligible former spouses of annuitants who died between September 1978 and May 1986 and who did not elect survivor coverage. The law authorizes the Office of Personnel Management to notify the Secretary of the Treasury of the amount of such annuities paid each fiscal year and directs the Secretary to credit this amount to the Civil Service Retirement and Disability Fund.

Under provisions of the Federal Employees' Retirement System (FERS) Act of 1986, Public Law 99-335, the Secretary of Treasury is required to make annual payments to finance the supplemental liability as calculate for the new FERS. The supplemental liability

will be financed by 30 annual payments beginning in fiscal year 1989. Since covered populations are tentative, the estimated amount will be recalculated during fiscal year 1989.

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD (LIMITATION ON ADMINISTRATIVE EXPENSES)

Administrative expenses fiscal year 1989 to date.....	\$16,603,000
Budget estimate, fiscal year 1990	17,324,000
Recommended in the bill.....	17,324,000
Bill compared with:	
Appropriation, fiscal year 1989	+721,000
Budget estimate, fiscal year 1990.....	

The Committee denies the limitation requested by the Administration.

The Federal Retirement Thrift Investment Board is responsible for managing the Thrift savings fund. The Thrift savings fund is a special tax-deferred savings fund established by the Federal Employees' Retirement System Act of 1986. Due to the fiduciary nature of the Thrift savings fund, the fund is not included in the totals of the Federal budget. Information on the financial status and activities of the Thrift savings fund follow this account.

Program administration for the Thrift savings fund is financed by reimbursement from the fund. In addition, the Board may require employing agencies to contribute an amount not to exceed one percent of employing agency contributions to purchase insurance to cover the potential liability of persons who serve in a fiduciary capacity on behalf of the fund. The Board has ceased requiring such contributions because of legislation enacted in January 1988 which provided an alternative source of funding for a major portion of such liabilities. This legislation reduces estimated expenses for insurance premiums. Reimbursements for program expenses are derived first from fund forfeitures of agency one percent basic contributions for employees who separate from the Federal government prior to vesting and subsequently from other amounts in the fund.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 1989 to date	\$20,488,000
Budget estimate, fiscal year 1990	20,987,000
Recommended in the bill.....	20,987,000
Bill compared with:	
Appropriation, fiscal year 1989	+499,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$20,987,000, the full amount of the fiscal 1990 budget request, and an increase of \$499,000 above fiscal year 1989.

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 will report to the President on whether merit systems are sufficiently free from prohibited personnel practices to protect the public interest.

SUMMARY OF FISCAL YEAR 1990 INCREASES

	Regional operations	Appeals	Legal	Case decision and program review	Total
Inflation increase in support costs:	+83	+25	+15	+74	+197
Within-grade increases:	+68	+20	+12	+60	+160
Additional cost in 1990 of the Federal Employees Retirement System:	+26	+8	+5	+23	+62
Cost of the January 1988 health insurance cost increase:	+34	+10	+6	+30	+80
Total	+211	+63	+38	+187	+499

STAFFING

The Committee allows the 329 positions requested for 1990, the same number authorized in 1989.

OFFICE OF SPECIAL COUNSEL

Appropriation, fiscal year 1989 to date	\$5,000,000
Budget estimate, fiscal year 1990	5,142,000
Recommended in the bill.....	5,142,000
Bill compared with:	
Appropriation, fiscal year 1989	+142,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$5,142,000, the full amount of the fiscal 1990 budget request, and an increase of \$142,000 above fiscal year 1989.

The Special Counsel is empowered to investigate prohibited personnel practices in Federal agencies and political activities prohibited by the Hatch Act, and to administratively prosecute offending employees and agencies before the Merit Systems Protection Board. The Special Counsel may also transmit "whistleblower" allegations to the agency head concerned and require an agency investigation and a report to the Congress and the President when found appropriate.

Many cases that are referred to the Office are resolved without recourse to formal proceedings before the Board. Efforts to obtain such informal resolutions will continue in 1990.

SUMMARY EXPLANATION OF CHANGES REQUESTED FOR FISCAL YEAR 1990 BASED ON FISCAL YEAR 1989 APPROPRIATION

[Dollars in thousands]

	Activity 1		Activity 2		Total	
	FTE	Amount	FTE	Amount	FTE	Amount
Program changes						
Other Changes.....						
Increases necessary to maintain current levels:						
1. Net cost of merit pay and within-grade increases required by statute	32		3		35	
2. Full year cost of 1989 pay raise.....	152		10		162	
3. Payment to GSA for space and related charges.....	14				14	
4. Net Cost of Increase in FTE positions	5	213			5	213
Total Increase.....	5	411	13		5	424
Reductions, nonrecurring costs and other savings: Savings from Salary Lapses.....		282				282

SUMMARY EXPLANATION OF CHANGES REQUESTED FOR FISCAL YEAR 1990 BASED ON FISCAL YEAR
1989 APPROPRIATION—Continued

[Dollars in thousands]

	Activity 1		Activity 2		Total	
	FTE	Amount	FTE	Amount	FTE	Amount
Total reductions.....		282				282
Total increase or decrease 1990 compared with 1989 Estimates.....	5	129		13	5	142

STAFFING

The Committee allows the 86 positions requested for 1990, an increase of 5 over the 81 positions authorized in 1989.

FEDERAL LABOR RELATIONS AUTHORITY

Appropriation, fiscal year 1989 to date	\$17,540,000
Budget estimate, fiscal year 1990	17,500,000
Recommended in the bill.....	17,500,000
Bill compared with:	
Appropriation, fiscal year 1989	-40,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$17,500,000, the full amount of the fiscal 1990 budget request, and a decrease of \$40,000 below fiscal year 1989.

The Authority 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 Federal Labor Authority gives full recognition to the role of the Federal Government as an employer.

Authority members.—The Authority adjudicates labor-management disputes in the Federal sector including: appeals on negotiability issues; exceptions to arbitration awards; appropriate units for the purposes of exclusive recognition; eligibility of labor organizations for national consultation rights and unfair labor practice complaints.

SUMMARY OF BUDGET CHANGES

To provide funding of annualized January 1989 pay raise, periodic/merit pay increases, and associated benefit cost increases, offset by a decrease of 5 positions.....	-\$23,000
For increased space costs (\$6,000), increased payments to the postal service (\$2,000), increased telecommunications charges (\$10,000), offset by reduced rental costs (-\$5,000).....	+13,000
To cover projected increase in printing costs	+1,000
For reduced costs associated with space renovations (-\$26,000), accounting/payroll support (-\$17,000), and other miscellaneous decreases (-\$45,000), offset by increases for maintenance contracts (\$5,000), research service (\$5,000) and net increases in other areas (\$55,000).....	-18,000,000
For reduced costs associated with supplies/subscriptions	-3,000

For reduced costs associated with the replacement purchase of office equipment.....	-10,000
<hr/>	
Total change in fiscal year 1990 versus fiscal year 1989 budgets	-40,000

STAFFING

The Committee allows the 256 positions requested for 1990, a reduction of 5 below the 261 positions authorized in 1989.

UNITED STATES TAX COURT

Appropriation, fiscal year 1989 to date	\$29,345,000
Budget estimate, fiscal year 1990	28,120,000
Recommended in the bill.....	28,120,000
Bill compared with:	
Appropriation, fiscal year 1989	-1,225,000
Budget estimate, fiscal year 1990.....	

The Committee recommends an appropriation of \$28,120,000, the full amount of the fiscal 1990 budget request, and a decrease of \$1,225,000 below fiscal year 1989.

The U.S. Tax Court hears and decides cases involving deficiencies in Federal income, estate, gift taxes and in excise taxes relating to public charities, private foundations, qualified pension plans, and real estate investment trusts. It also renders declaratory judgments regarding the qualification or continuing qualification (including revocation of rulings on the exemptions) of retirement plans.

The Tax Court has jurisdiction to render declaratory judgments with respect to exempt organization status determinations pursuant to section 501(c)(3), Internal Revenue Code, and to enter declaratory judgments on the tax treatment of interest on proposed issues of governmental obligations. In addition, the court has jurisdiction over actions to restrain disclosure and to obtain additional disclosure with respect to public inspection of written determinations issued by the Internal Revenue Service, and actions to compel the disclosure of the identity of third-party contacts relating to written determinations made by the Internal Revenue Service.

The Tax Court has jurisdiction to restrain the premature assessment and collection of any tax that is the subject of a petition before the Court, to review post-petition jeopardy levies and jeopardy assessments, to review Internal Revenue Service determinations to sell property seized pursuant to a jeopardy assessment and to award administrative and litigation costs.

For 1990, the court proposes a trail program of 400 weeks consisting of 230 weeks of regular trial sessions and 170 weeks of small tax case sessions. Trails are held in approximately 80 cities throughout the United States.

ANALYSIS OF FISCAL YEAR 1990 BUDGET DECREASE

The reduction of \$1,225,000 is based solely on the non-recurring cost of the chiller system cooling towers which was funded in FY 1989.

STAFFING

The Committee allows the 350 positions requested for 1990, the same number in 1989.

STATEMENT CONCERNING GENERAL PROVISIONS

This bill carries a number of general provisions, some of which are routine and have been carried for a number of years, and some are proposed for the first time this year.

Those general provisions that deal only with a single agency are shown immediately following that agency's appropriation in the accompanying bill. Others that deal with all of the agencies provided for in this bill are shown under Title V, and those general provisions that are Government-wide in scope are shown under Title VI of the accompanying bill.

A brief explanation of General Provisions which have not been included in prior Appropriations Acts follows:

TITLE V—GENERAL PROVISIONS, THIS ACT

SECTION 526

The Committee has inserted a provision which provides that none of the funds in this Act may be used to abolish, close or relocate the Office of Fiscal Operations and the Resources Systems Development Division of the Detroit Data Center.

SECTION 527

The Committee has inserted a provision which provides that for the purposes of subchapter IV of chapter 53 of title 5, United States Code, prevailing rate employees employed in Broome and Tioga counties, New York, shall be considered to be employed in the Syracuse/Utica/Rome New York wage area.

SECTION 528

The Committee has inserted a provision which provides that the Director of Office of Management and Budget shall take appropriate action to provide that the official title of the metropolitan statistical area which includes Allentown, Bethlehem, and Easton, Pennsylvania, shall be the "Allentown-Bethlehem-Easton Metropolitan Statistical Area".

SECTION 529

The Committee has inserted a provision which modifies the fiscal year 1989 Appropriations Act. It has the effect of providing that for purposes of section 1886 of the Social Security Act, Missouri Baptist Hospital of Sullivan in Sullivan, Missouri is deemed to be located in Franklin County, Missouri, retroactively effective for discharges beginning on or after October 1, 1983 instead of on or after December 22, 1987.

SECTION 530

The Committee believes that strong action is necessary to insure the well-being of our nation's small businesses. Health insurance

benefits play an integral role in that well being. The Committee has expressed their concern by including language that prevents the use of any funds in this Act to enforce Section 1151 of the Tax Reform Act of 1986, which contains Section 89 of the U.S. Tax Code. While the measure is not a repeal of Section 89, it provides the Congress, in effect, a one year moratorium.

TITLE VI—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES AND CORPORATIONS

SECTION 620

The Committee has included language providing a 3.6 percent comparability adjustment for Federal civilian employees. The Committee notes that Members of Congress are not included in this adjustment. The Committee is also concerned that it is not good government policy to force Federal employees to compete for their pay against Government services or other reductions in their compensation package.

COMPLIANCE WITH HOUSE RULES

DEFINITION OF "PROGRAM, PROJECT, AND ACTIVITY" AS PROVIDED FOR BY PUBLIC LAW 99-177, THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

During fiscal year 1990, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), the following information provides the definition of the term "program, project and activity" for departments and agencies under the jurisdiction of the Treasury, Postal Service and General Government Subcommittee. The term "program, project and activity" shall include the most specific level of budget items identified in the Treasury, Postal Service and General Government Appropriations Act, 1987 as passed the House including this House Report which accompanies that Act. (Under the above definition, the Federal Buildings Fund, the Bureau of Engraving and Printing Fund and other intragovernmental funds are exempt under section 255(g)(1) of Public Law 99-177.)

TRANSFER OF FUNDS

Pursuant to Clause 1(b), Rule X of the House of Representatives, the following table 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
Federal Property Resources Service	\$12,174,000	Proceeds from transfer of property.....	\$12,174,000
Office of Personnel Management	81,907,000	Trust fund of the Office of Personnel Management.	81,907,000
Inspector General, OPM	2,193,000	Appropriate Trust Funds.....	2,193,000
Merit Systems Protection Board	1,450,000	Civil service retirement and disability fund.....	1,450,000

COMPLIANCE WITH RULE XI, CLAUSE 2(1)(4)

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4), Rule XI of the House of Representatives, the Committee estimates that enactment of this bill would have minimal overall inflationary impact on prices and costs in the operation of the national economy.

The total amount recommended in the bill is about \$1.1 billion more than the total amount appropriated for these same agencies for fiscal year 1990 and about \$31 million more than is proposed in the President's budget request.

FIVE-YEAR PROJECTIONS

In compliance with section 308(a)(1)(C) 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:

[In thousands]

Budget authority.....	18,422,812
Outlays:	
Fiscal year 1990.....	16,267,997
Fiscal year 1991.....	1,732,908
Fiscal year 1992.....	140,015
Fiscal year 1993.....	10,260
Fiscal year 1994 and future years.....	5,006

COMPLIANCE WITH RULE XIII, CLAUSE 3

(RAMSEYER RULE)

The Committee has included the following provisions in this bill which amends the Treasury, Postal Service and General Government Appropriations Act, 1989, (Public Law 100-440) as follows:

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

Section 12 of the General Services Administration General Provisions in this bill amends Section 8 of the General Services Administration General Provisions in Public Law 100-440 (102 Stat. 1741) by deleting 600,000 in subsection (b)(1) and inserting 900,000 and by deleting subsection (b)(2).

LANGUAGE IN EXISTING STATUTE AS AMENDED

Sec. 8. (a) Lease-Purchase Agreement. The Administrator of General Services shall acquire for the State of Tennessee or a political subdivision thereof by lease-purchase a building to house the Internal Revenue Service Center in Memphis, Tennessee, and such other Federal agencies as may be appropriate.

(b) Limitations.

(1) Size. The building to be acquired under subsection (a) may not exceed ~~【600,000】~~ 900,000 gross square feet in size plus such additional space as may be necessary for parking.

【(2) Cost. The total cost of the lease purchase agreement under this section to the United States may not exceed \$36,000,000, plus reasonable interest thereon, as well as operating costs, if applicable.】

GENERAL PROVISIONS—THIS ACT

Section 529 of General Provisions, This Act in this bill amends Section 631 of the General Provisions Government Wide in Public Law 100-440 (102 Stat. 1750) by striking December 22, 1987 and inserting in lieu thereof October 1, 1983.

LANGUAGE IN EXISTING STATUTE AS AMENDED

Section 631. For purposes of section 1886 of the Social Security Act, Missouri Baptist Hospital of Sullivan in Sullivan, Missouri is deemed to be located in Franklin County, Missouri, retroactively effective for discharges beginning on or after ~~【December 22, 1987】~~ October 1, 1983.

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(D) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the financial assistance to State and local government is as follows:

[In thousands]

New budget authority.....	\$3,000
Fiscal year 1989 outlays resulting there from	3,000

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for fiscal year 1990. This information follows:

[In millions of dollars]

	Sec. 302(b)		This bill	
	Discretionary	Mandatory	Discretionary	Mandatory
Budget Authority.....	9,410	9,113	9,391	9,032
Outlays.....	9,350	8,665	9,350	8,582
Direct loans.....				
Primary Guarantees.....				

The bill provides no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended.

COMPLIANCE WITH RULE XXI, CLAUSE 3

In compliance with rule XXI, clause 3, the Committee has inserted at the appropriate place in the report a description of the effects of provision 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 (U.S. Customs Services, Bureau of the Mint, the Administrative Conference and the Federal Election Commission.) In addition, the bill carries languages, 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.

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 Committee has included a provision requiring approval by the Appropriations Committee of additional repair and alteration projects, as well as several additional general provisions.

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 a number of them have been carried for many years.

The following provisions are included in the bill for fiscal year 1990:

TITLE I—TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

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

INTERNATIONAL AFFAIRS

The Committee has continued language which provides funds for maintenance, repair; purchase of commercial insurance policies for rental properties overseas; and for official travel and representation expenses.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

The Committee has continued language which provides funds for student athletic and related activities, uniform purchases, conducting of and participating in firearms matches, repair and minor construction of the facility to remain available until expended, for community relations, for State and local law enforcement training and training of foreign law enforcement officials on a space available basis, acceptance of gifts, training of private sector security officials on a reimbursable space available basis, and travel expenses

of non-federal personnel to attend state and local course development meetings at the Center.

The Committee has also included language which provides for the establishment of a fund to provide gifts for graduate students.

FINANCIAL MANAGEMENT SERVICES

The Committee has inserted language which provides funds to remain available until expended for systems modernization.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

The Committee has inserted language which provides funds for hire of aircraft, services of expert witnesses, enforcement of the Federal Alcohol Administration Act, and attorney's fees under certain conditions.

U.S. CUSTOMS SERVICE

The Committee has inserted language which provides funds for compensation to informers, for rental space for pre-clearance operations, part-time and temporary positions, for research, for uniforms for establishing a minimum number of positions and directs and that all current services continue to be provided.

Authorization for the Customs Service had not been enacted as of the date of this report.

U.S. MINT

The Committee has inserted language which provides funds for research and development projects.

Authorization for the Mint had not been enacted as of the date of this report.

INTERNAL REVENUE SERVICES

The Committee has inserted language which provides funds for payment of services as authorized by 5 U.S.C. 3109 at such rates as may be determined by the Commissioner, for research for systems modernization initiatives, for Tax Counseling of the Elderly Program, transfer authority within IRS appropriations and transfer of funds for document matching.

U.S. SECRET SERVICE

The Committee has inserted language which provides funds for hire of aircraft, training and assistance requested by State and local governments, services of expert witnesses, rental of certain buildings, improvements to buildings as may be necessary for protective functions, conducting of firearms matches, presentation of awards and travel of employees on protective missions, uniforms, and for research.

DEPARTMENT OF TREASURY—GENERAL PROVISIONS

Section 101: The Committee has continued language which provides funds for uniforms, cleaning, issuance of vehicles operated in foreign countries and services as authorized by 5 U.S.C. 3109.

Section 102: The Committee has continued language which prohibits funds from being used for the collection of taxes unless IRS complies with certain provisions of the Fair Debt Collection Act.

Section 103: The Committee has continued language which prohibits IRS from disqualifying certain plans.

Section 104: The Committee has continued language which provides for transfer of funds within Treasury.

Section 105: The Committee has continued language which prohibits Treasury from placing certain bureaus under the jurisdiction of the Inspector General.

TITLE II—POSTAL SERVICE

The Committee has continued language which prohibits funds made available to the Postal Service from being used to close certain post offices, from charging employees of local and child support agencies, and provides funds for free mail for the blind and for 6 day mail delivery and rural delivery of mail at existing levels.

The Committee recommends sufficient funds to maintain the current postage rates for preferred rate mailers through fiscal year 1989.

The Committee has continued language in the bill mandating the continuation of full postal service for Holly Springs, Mississippi, including upgrading, remodeling, and improving the Post Office building at 110 North Memphis Street, Holly Springs, Mississippi.

The Committee has included language which prohibits the Postal Service from entering into a contract in Westchester, New York for a certain period of time.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT

COMPENSATION OF THE PRESIDENT

The Committee has continued language which mandates that unused amounts of the President's expense allowance will revert to the Treasury and not be taxable to the President.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

The Committee has continued language which provides funds for official expenses of the Vice President and authorizes repayment or transfer of funds to any department for carrying out certain activities.

OFFICE OF MANAGEMENT AND BUDGET

The Committee has inserted language prohibiting OMB from reviewing transcripts under certain conditions, from reviewing marketing orders, from reducing certain publications from revising certain methodologies and the funds shall be applied only to the objects for which appropriations were made except as otherwise provided by law.

TITLE IV—INDEPENDENT AGENCIES

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

The Committee has inserted language which provides funds for official reception and entertainment expenses. The authorizing legislation for the Conference had not been enacted as of the date of this report.

ADVISORY COMMISSION OF INTERGOVERNMENTAL RELATIONS

The Committee has inserted language permitting use of funds collected from sale of publications for the purposes of this appropriation.

FEDERAL ELECTION COMMISSION

The Committee has inserted language which provides funds for the Federal Election Commission.

Authorizing legislation for the Commission had not been enacted as of the date of this report.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

The Committee has inserted language dealing with the conditions under which funds made available to the Federal Buildings Fund can be used and has designated certain projects which can be undertaken.

Some of the projects are not fully authorized by law. A more detailed analysis can be found in the General Services Administration chapter of this report.

GENERAL PROVISIONS

Section 1. Provides that the appropriate appropriation or fund available to the General Services Administration shall be credited with the cost of operation, protection, maintenance, upkeep, repair, and improvement, included as part of rentals received from Government corporations.

Section 2. Provides that funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.

Section 3. Provides that 1 per centum of funds made available in appropriations for operating expenses and salaries and expenses may be transferred between such appropriations for mandatory program requirements.

Section 4. Provides that funds in the Federal Buildings Fund made available for fiscal year 1990 for Federal Buildings Fund activities may be transferred between activities under certain conditions.

Section 5. Provides that funds made available to the General Services Administration for the payment of rent shall be available for the purpose of leasing space in buildings erected on land owned by the United States.

Section 6. Provides that the Administrator of General Services is authorized and directed to charge the Department of the Interior for design and alterations to the Avondale, Maryland property at certain rates.

Section 7. Provides that the Administrator of General Services is authorized to transfer from the resources of the Federal Buildings Fund, such amounts as are necessary to repay the principal amount of General Services Administration borrowings from the Federal Financing bank when such borrowings are legal obligations of the Fund.

Section 8. Provides that the General Services Administration shall take immediate action to secure corrections to health and safety problems at the IRS Manhattan District Office.

Section 9. Provides authority for obligations for multi-year agreements for lease or other acquisition of motor vehicles entered into by Administrator of General Services.

Section 10. Deletes 600,000 and inserts 900,000 from subsection (b)(1); and deletes subsection (b)(2).

Section 11. Provides that the Administrator of General Services, with the concurrence of the Director of the U.S. Fish and Wildlife Service, is authorized to acquire a new facility for the U.S. Fish and Wildlife Service in Holyoke, Massachusetts.

Section 12. Provides that the Administrator of GSA shall lease office and special purpose space for outpatient clinic functions in Boston, Massachusetts.

Section 13. Provides that the Secretary of Commerce shall transfer to the General Services Administration property for the National Oceanic and Atmospheric Administration in Boulder, Colorado.

Section 14. Provides authority for the Administrator of General Services Administration to solicit bids for space in the Washington metropolitan region through a region-wide advertisement in the National Capital Region.

Section 15. Provides authority for the General Services Administration to sell the Grove Arcade Federal Building in Asheville, North Carolina.

Section 16. Provides that the County of Los Angeles shall provide to the General Services Administration 250 parking spaces in the Parking Facility at Long Beach, California.

INSPECTOR GENERAL

The Committee has inserted language which provides funds for payment for information and detection of fraud.

OFFICE OF PERSONNEL MANAGEMENT

The Committee has inserted language which provides funds for medical exams performed for veterans, rental of conference rooms, official entertainment, the authority to use certain trust funds and has provided certain legislation authority for the President's Commission on White House Fellows.

MERIT SYSTEM PROTECTION BOARD

The Committee has inserted language which provides funds for rental of conference rooms and administrative expenses to adjudicate retirement appeals under certain circumstances.

OFFICE OF SPECIAL COUNSEL

The Committee has inserted language which provides funds for payment of fees and expenses for witnesses, and for rental of conference rooms.

FEDERAL LABOR RELATIONS AUTHORITY

The Committee has continued language which provides funds for hire of experts and consultants, rental of conference rooms, certain public members to be paid travel and per diem in lieu of subsistence.

U.S. TAX COURT

The Committee has continued language which provides funds for travel expenses of judges to be paid upon certification.

TITLE V—GENERAL PROVISIONS—THIS ACT

Section 501: The Committee has continued this General Provision which provides for certain travel limitations.

Section 502: The Committee has continued this General Provision which provides for certain employment practices regarding veterans.

Section 503: The Committee has continued this General Provision establishing offices outside of the District of Columbia.

Section 504: The Committee has continued this General Provision limiting funds to the current fiscal year.

Section 505: The Committee has continued this General Provision regarding consultant services.

Section 506: The Committee has continued this General Provision regarding procurement of hand tools.

Section 507: The Committee has continued this General Provision regarding employment of veterans.

Section 508: The Committee has continued this General Provision which affects the advertising of wine and distilled spirits.

Section 509: The Committee has inserted language prohibiting competitive procurement of electric utility service under certain circumstances.

Section 510: The Committee has continued this General Provision prohibiting the closing of an office in Sacramento, CA.

Section 511: The Committee has continued this General Provision prohibiting the elimination of existing requirements for surety bonds.

Section 512: The Committee has continued this General Provision amending the provision on enforcing section 307 of the Tariff Act.

Section 513: The Committee has continued this General Provision prohibiting the transfer of control over the Federal Law Enforcement Training Center.

Section 514: The Committee has continued this General Provision prohibiting the use of funds for certain propaganda purposes.

Section 515: The Committee has continued this General Provision prohibiting the use of funds appropriated in this Act from being used to prevent certain federal employees from contacting their Congressman.

Section 516: The Committee has continued this General Provision prohibiting certain funds from being obligated for certain vehicles unless certain mileage requirements are met.

Sections 517 and 518: The Committee has continued these General Provisions prohibiting abortion coverage in Federal employees health plans except under certain circumstances.

Section 519: The Committee has continued this General Provision prohibiting the procurement of stainless steel flatware except under certain circumstances.

Section 520: The Committee has inserted language regarding executive seminar centers for the Office of Personnel Management.

Section 521: The Committee has continued language which provides that GSA shall acquire, by a lease of up to 30 years, space for the United States Courts in Tacoma, Washington at the site of the Union Station in Tacoma, Washington.

Section 522: The Committee has inserted language which provides that funds in this Act shall be available as authorized by 5 U.S.C. 4502(d).

Section 523: The Committee has continued this General Provision which grants special pay relief to certain federal employees under certain circumstances.

Section 524: The Committee has inserted a new General Provision which provides that no funds in this Act may be used to contract out positions or downgrade the position classification of the Bureau of Engraving and Printing Police Force.

Section 525: The Committee has inserted a new General Provision which authorizes donations of supplies and equipment to the Federal Executive Institute.

Section 526: The Committee has inserted a provision which provides that none of the funds in this Act may be used to abolish, close or relocate the Office of Fiscal Operations and the Resources Systems Development Division of the Detroit Data Center.

Section 527: The Committee has inserted a provision which provides that for the purposes of subchapter IV of chapter 53 of title 5, United States Code, prevailing rate employees employed in Broome and Tioga counties, New York, shall be considered to be employed in the Syracuse/Utica/Rome New York wage area.

Section 528: The Committee has inserted a provision which provides that the Director of Office of Management and Budget shall take appropriate action to provide that the official title of the metropolitan statistical area which includes Allentown, Bethlehem, and Easton, Pennsylvania, shall be the "Allentown-Bethlehem-Easton Metropolitan Statistical Area".

Section 529: The Committee has inserted a provision which modifies the fiscal year 1989 Appropriations Act. It has the effect of providing that for purposes of section 1886 of the Social Security Act, Missouri Baptist Hospital of Sullivan in Sullivan, Missouri is deemed to be located in Franklin County, Missouri, retroactively

effective for discharges beginning on or after October 1, 1983 instead of on or after December 22, 1987.

Section 530: The Committee has inserted a provision which provides that no monies appropriated by this Act may be used to implement or enforce section 1151 of the Tax Reform Act of 1986 or the amendments made by such section.

TITLE VI—GENERAL PROVISIONS—GOVERNMENTWIDE

Section 601: The Committee has continued this General Provision regarding price limitations on vehicles to be purchased by the Federal Government.

Section 602: The Committee has continued this General Provision regarding availability of funds for quarters allowance.

Section 603: The Committee has continued this General Provision regarding certain citizenship requirements for employment in the Federal Government.

Section 604: The Committee has continued this General Provision regarding funds made available to GSA for renovation of buildings and facilities.

Section 605: The Committee has continued this General Provision regarding rentals in the District of Columbia.

Section 606: The Committee has continued this General Provision prohibiting the filing of positions by persons not approved by the Senate.

Section 607: The Committee has continued this General Provision regarding foreign credits owed to or owned by the United States.

Section 608: The Committee has continued this General Provision prohibiting the use of funds for certain interagency financing except under certain conditions.

Section 609: The Committee has continued this General Provision making funds available for guards for GSA and the Postal Service under certain conditions.

Section 610: The Committee has continued this General Provision prohibiting the use of funds for enforcing regulations disapproved in accordance with the applicable law of the United States.

Section 611: The Committee has continued this General Provision to establish a limitation of the rate per square foot that GSA can charge.

Section 612: The Committee has modified this General Provision to amend a provision including in the fiscal year 1988 Act which requires that blue collar and white collar federal workers receive the same rate of pay increases.

Section 613: The Committee has continued this General Provision prohibiting the Customs Service from certain reductions and consolidations.

Section 614: The Committee has continued this General Provision limiting the amount of funds that can be used for redecoration of offices under certain circumstances.

Section 615: The Committee has continued language providing transportation to the United States for the families of federal employees serving abroad, when the employee dies or has a life threatening illness.

Section 616: The Committee has continued this General Provision which establishes certain reporting requirements for the detailing of certain federal employees.

Section 617: The Committee has continued this General Provision which prohibits the use of funds to purchase certain types of distinctive paper.

Section 618: The Committee has continued this General Provision which grants temporary authority to transfer leave under certain special circumstances.

Section 619: The Committee has continued this General Provision which limits the scope of certain employees disclosure agreements.

Section 620: The Committee has inserted this General Provision providing a 3.6% comparability adjustment for Federal civilian employees.

Section 621: The Committee has inserted this General Provision which provides that no executive branch agency shall purchase, construct, and/or lease any additional facilities, except within or contiguous to existing locations to be used for the purpose of conducting Federal law enforcement training without the advance approval of the House and Senate Committees on Appropriations.

Section 622: The Committee has continued this General Provision regarding the procurement of "FTS 2000".

Section 623: The Committee has continued a provision dealing with a drug-free workplace.

DETAILED EXPLANATIONS IN REPORT

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

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1989 AND THE
BUDGET ESTIMATES FOR 1990

PERMANENT NEW BUDGET (OBLIGATION, I.) AUTHORITY

[These funds become available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill.]

(1) Agency and item	(2) New budget (obligational) authority, fiscal year 1989	(3) Budget estimates of new (obligational) authority, fiscal year 1990	(4) Fiscal year 1990 estimate compared with, fiscal year 1989
FEDERAL FUNDS			
TREASURY DEPARTMENT			
Presidential Election Campaign Fund	32,000,000	32,000,000	
United States Customs Service:			
Salaries and expenses	111,032,000	116,584,000	+ 5,552,000
Customs forfeiture fund	20,000,000	20,000,000	+ 3,000,000
Miscellaneous permanent appropriations	123,000,000	126,000,000	+ 12,467,992,000
Interest on the public debt	235,618,110,000	248,086,102,000	+ 1,515,000
Interest on uninvested funds	19,907,000	21,422,000	-24,000,000
Refunding internal revenue collections, interest	1,800,000,000	1,776,000,000	-8,000,000
Payment where credit exceeds liability for tax	3,849,000,000	3,841,000,000	
Contributions for annuity benefits	18,000,000	18,000,000	
Internal Revenue collections for Puerto Rico	230,000,000	230,000,000	
Coinage profit fund	43,314,000	6,425,000	-36,889,000
Claims, judgments, and relief acts	348,920,000	348,920,000	
Total, Treasury Department	242,213,283,000	254,622,453,000	+ 12,409,170,000
INDEPENDENT AGENCIES			
Executive Office of the President:			
Office of Personnel Management: Payment to Civil			
Service retirement and disability fund	11,652,352,000	11,911,998,000	+ 259,646,000

General Services Administration:			
Expenses of transportation audit contracts and contract administration.....	15,000,000	15,500,000	+ 500,000
Expenses, disposal of surplus real and related personal property	3,668,000	3,800,000	+ 132,000
Postal Service.....	1,656,477,000	3,255,144,000	+ 1,598,667,000
Federal Retirement Thrift Investment Board:			
Program expenses.....	16,603,000	17,324,000	+ 721,000
United States Tax Court:			
Tax Court independent counsel.....	10,000	10,000	.....
Total, Independent Agencies	13,344,110,000	15,203,776,000	+ 1,859,666,000
Total, permanent new budget (obligational) authority, Federal funds	255,557,393,000	269,826,229,000	+ 14,268,836,000
TRUST FUNDS			
TREASURY DEPARTMENT			
Gifts and bequests.....	300,000	500,000	+ 200,000
Bureau of Government Financial Operations: Trust Funds	71,000	70,000	-1,000
Refunds, transfers, and expenses of unclaimed, abandoned, and seized goods, U.S. Customs Service	17,230,000	17,403,000	+ 173,000
Total, Treasury Department	17,601,000	17,973,000	+ 372,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1989 AND THE
BUDGET ESTIMATES FOR 1990--Continued

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY

[These funds become available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill.]

(1) Agency and item	(2) New budget (obligational) authority, fiscal year 1989	(3) Budget estimates of new (obligational) authority, fiscal year 1990	(4) Fiscal year 1990 estimate compared with, fiscal year 1989
INDEPENDENT AGENCIES			
Advisory Commission on Intergovernmental Relations:			
Contributions.....	130,000	135,000	+ 5,000
Federal Deposit Insurance Corporation (authority to borrow).....	2,500,000,000	1,000,000,000	-1,500,000,000
Office of Personnel Management: Civil Service retirement and disability fund.....	48,167,847,000	50,419,879,000	+ 2,252,032,000
National Archives and Records Administration:			
National archives gift fund.....	263,000	182,000	-81,000
Harry S. Truman memorial scholarship trust fund.....	4,304,000	4,568,000	+ 264,000
United States Tax Court:			
Tax Court judges survivors annuity fund.....	350,000	386,000	+ 36,000
Total, Independent Agencies.....	50,672,894,000	51,425,150,000	+ 752,256,000
Total, permanent new budget (obligational) authority, Trust funds.....	50,690,495,000	51,443,123,000	+ 752,628,000
Total, permanent new budget (obligational) authority.....	306,247,888,000	321,269,352,000	+ 15,021,464,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1990

(1) Agency and item	(2) New budget (obligational) authority appropriated, 1989 (enacted to date)	(3) Budget estimates of new (obligational) authority, 1990	(4) New budget (obligational) authority recommended in bill	(5) Bill compared with new budget (obligational) authority, 1989	(6) Bill compared with budget estimates of new (obligational) authority, 1990
TITLE I - DEPARTMENT OF THE TREASURY					
Departmental Offices:					
Salaries and expenses	59,618,000	83,091,000	58,081,000	-1,537,000	-25,010,000
International affairs	22,000,000	.....	25,010,000	+ 3,010,000	+ 25,010,000
Office of the Inspector General .....	.....	13,605,000	13,605,000	+ 13,605,000	.....
Federal Law Enforcement Training Center:					
Salaries and expenses	34,664,000	34,158,000	34,664,000	.....	+ 506,000
Facilities, acquisition and related expenses	20,000,000	9,880,000	9,880,000	-10,120,000	.....
Financial Management Service:					
Salaries and expenses	277,230,000	289,695,000	289,695,000	+ 12,465,000	.....
Bureau of Alcohol, Tobacco and Firearms	241,000,000	245,933,000	245,933,000	+ 4,933,000	.....
United States Customs Service:					
Salaries and expenses	1,033,911,000	1,031,490,000	1,041,490,000	+ 7,579,000	+ 10,000,000
Operations and maintenance, air interdiction program	149,262,000	128,128,000	125,128,000	-24,134,000	-3,000,000

Customs forfeiture fund (limitation on availability of deposits).....	10,000,000	10,000,000	10,000,000	.....	.....
Customs services at small airports (to be derived from fees collected).....	1,588,000	1,588,000	1,588,000	.....	.....
Total, United States Customs Service.....	1,194,761,000	1,171,206,000	1,178,206,000	-16,555,000	+ 7,000,000
United States Mint:					
Salaries and expenses.....	47,000,000	50,735,000	50,735,000	+ 3,735,000	.....
Bureau of the Public Debt.....	219,430,000	244,316,000	219,430,000	.....	-24,886,000
Payment of Government losses in shipment.....	960,000	.....	.....	-960,000	.....
Internal Revenue Service:					
Salaries and expenses.....	87,165,000	72,382,000	72,382,000	-14,783,000	.....
Processing tax returns.....	1,740,353,000	1,946,003,000	1,953,446,000	+ 213,093,000	+ 7,443,000
Examinations and appeals.....	1,932,441,000	1,911,301,000	1,911,301,000	-21,140,000	.....
Investigation, collection, and taxpayer service.....	1,434,921,000	1,612,809,000	1,620,252,000	+ 185,331,000	+ 7,443,000
Total, Internal Revenue Service.....	5,194,880,000	5,542,495,000	5,557,381,000	+ 362,501,000	+ 14,886,000
United States Secret Service.....	357,500,000	368,401,000	371,401,000	+ 13,901,000	+ 3,000,000
Total, title I, Department of the Treasury, new budget (obligational) authority.....	7,669,043,000	8,053,515,000	8,054,021,000	+ 384,978,000	+ 506,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1990--Continued

Agency and item (1)	New budget (obligational) authority appropriated, 1989 (enacted to date) (2)	Budget estimates of new (obligational) authority, 1990 (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with new budget (obligational) authority, 1989 (5)	Bill compared with budget estimates of new (obligational) authority, 1990 (6)
TITLE II - POSTAL SERVICE					
Payment to the Postal Service Fund.....	436,417,000	459,755,000	459,755,000	+ 23,338,000	
Payment to the Postal Service Fund for nonfunded liabilities.....		36,942,000	36,942,000	+ 36,942,000	
TITLE III - EXECUTIVE OFFICE OF THE PRESIDENT					
Compensation of the President.....	250,000	250,000	250,000		
Office of Administration.....	18,350,000	18,325,000	18,325,000	-25,000	
The White House Office.....	27,950,000	30,639,000	30,639,000	+ 2,689,000	
Executive Residence at the White House.....	5,698,000	6,773,000	6,773,000	+ 1,075,000	
Official Residence of the Vice President.....	258,000	378,000	578,000	+ 320,000	+ 200,000
Special Assistance to the President.....	2,199,000	2,335,000	2,335,000	+ 136,000	
Council of Economic Advisers.....	2,787,000	2,906,000	2,906,000	+ 119,000	
Office of Policy Development.....	3,000,000	3,079,000	3,079,000	+ 79,000	
National Critical Materials Council.....	225,000		225,000		+ 225,000
National Security Council.....	5,100,000	5,409,000	5,409,000	+ 309,000	
Office of Management and Budget.....	39,640,000	43,894,000	44,894,000	+ 5,254,000	+ 1,000,000
Office of Federal Procurement Policy.....	2,353,000	2,660,000	2,660,000	+ 307,000	
Unanticipated needs.....	1,000,000	1,000,000	1,000,000		

Investment in management improvement	1,000,000	18,000,000	1,000,000	.....	-17,000,000
Office of National Drug Control Policy:					
Salaries and expenses	3,500,000	12,000,000	12,000,000	+ 8,500,000	.....
Special forfeiture fund .....	.....	136,000,000	136,000,000	+ 136,000,000	.....
Total, title III, Executive Office of the President, new budget (obligational) authority	113,310,000	283,648,000	268,073,000	+ 154,763,000	-15,575,000
TITLE IV - INDEPENDENT AGENCIES					
Administrative Conference of the United States	1,865,000	1,865,000	1,865,000	.....	.....
Advisory Commission on Intergovernmental Relations	1,040,000	1,300,000	1,300,000	+ 260,000	.....
Advisory Committee on Federal Pay	205,000	205,000	205,000	.....	.....
Committee for Purchase from the Blind and Other Severely Handicapped	862,000	937,000	1,062,000	+ 200,000	+ 125,000
Federal Election Commission	15,433,000	14,257,000	14,257,000	-1,176,000	.....
<i>(By transfer)</i>	<i>(250,000)</i>	.....	.....	<i>(-250,000)</i>	.....
General Services Administration:					
Federal Buildings Fund:					
Appropriation .....	.....	.....	3,000,000	+ 3,000,000	+ 3,000,000
<i>Limitation on availability of revenue:</i>					
<i>Construction & acquisition of facilities</i>	<i>(119,820,000)</i>	<i>(244,539,000)</i>	<i>(123,253,000)</i>	<i>(+ 3,433,000)</i>	<i>(-121,286,000)</i>
<i>Repairs and alterations</i>	<i>(532,865,000)</i>	<i>(438,193,000)</i>	<i>(541,505,000)</i>	<i>(+ 8,640,000)</i>	<i>(+ 103,312,000)</i>
<i>Payment on purchase contracts</i>	<i>(133,000,000)</i>	<i>(129,752,000)</i>	<i>(126,752,000)</i>	<i>(-6,248,000)</i>	<i>(-3,000,000)</i>
<i>Rental of space</i>	<i>(1,177,532,000)</i>	<i>(1,351,500,000)</i>	<i>(1,351,500,000)</i>	<i>(+ 173,968,000)</i>	.....
<i>Real property operations</i>	<i>(882,000,000)</i>	<i>(968,298,000)</i>	<i>(951,253,000)</i>	<i>(+ 69,253,000)</i>	<i>(-17,045,000)</i>

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1990--Continued

Agency and item (1)	New budget (obligational) authority appropriated, 1989 (enacted to date) (2)	Budget estimates of new (obligational) authority, 1990 (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with new budget (obligational) authority, 1989 (5)	Bill compared with budget estimates of new (obligational) authority, 1990 (6)
<i>Program direction & centralized services</i>	(49,000,000)	(70,520,000)	(68,020,000)	(+ 19,020,000)	(-2,500,000)
<i>Design and construction services</i>	(130,000,000)	(157,081,000)	(146,302,000)	(+ 16,302,000)	(-10,779,000)
<i>Rent</i>.....	.....	.....	.....	.....	.....
Total, Federal Buildings Fund:	.....	.....	3,000,000	+ 3,000,000	+ 3,000,000
New budget (obligational) authority	.....	.....	(3,308,585,000)	(+ 284,368,000)	(-51,298,000)
<i>(Limitations)</i>	(3,024,217,000)	(3,359,883,000)	.....	.....	.....
Federal Supply Service:	.....	.....	.....	.....	.....
Operating expenses	47,000,000	47,644,000	47,644,000	+ 644,000	.....
Federal property resources service	10,800,000	12,174,000	12,174,000	+ 1,374,000	.....
Real property relocation	4,000,000	10,000,000	8,000,000	+ 4,000,000	-2,000,000
General management and administration	120,774,000	124,297,000	124,297,000	+ 3,523,000	.....
Grants	.....	.....	16,152,000	+ 16,152,000	+ 16,152,000
Information resources management service	31,875,000	32,480,000	32,480,000	+ 605,000	.....
Office of the Inspector General	25,000,000	26,500,000	26,500,000	+ 1,500,000	.....
Allowances and Office Staff for Former Presidents	1,431,000	1,823,000	1,823,000	+ 392,000	.....
Expenses, presidential transition	3,000,000	.....	.....	-3,000,000	.....

National defense stockpile transaction fund.....	30,000,000	.....	.....	-30,000,000	.....
Total, General Activities.....	226,880,000	207,274,000	221,426,000	-5,454,000	+ 14,152,000
Total, General Services Administration	273,880,000	254,918,000	272,070,000	-1,810,000	+ 17,152,000
Martin Luther King, Jr. Federal Holiday Commission.....		300,000	300,000	+ 300,000	.....
National Archives and Records Administration.....	121,900,000	122,612,000	126,612,000	+ 4,712,000	+ 4,000,000
Office of Government Ethics		3,414,000	3,414,000	+ 3,414,000	.....
Office of Personnel Management:					
Salaries and expenses:					
Appropriation	108,000,000	113,668,000	113,668,000	+ 5,668,000	.....
(Limitation on administrative expenses).....	(77,017,000)	(81,907,000)	(81,907,000)	(+ 4,890,000)	.....
Office of Inspector General		2,918,000	2,918,000	+ 2,918,000	.....
Government payment for annuitants, employees health benefits.....	2,374,414,000	3,780,169,000	3,780,169,000	+ 1,405,755,000	.....
Government payment for annuitants, employee life insurance benefits.....		2,700,000	2,700,000	+ 2,700,000	.....
Payment to civil service retirement and disability fund.....	4,858,668,000	5,211,732,000	5,211,732,000	+ 353,064,000	.....
Federal Retirement Thrift Investment Board (limitation on administrative expenses)	(16,603,000)	(17,324,000)	(17,324,000)	(+ 721,000)	.....
Total, Office of Personnel Management.....	7,341,082,000	9,111,187,000	9,111,187,000	+ 1,770,105,000	.....



COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1990--Continued

(1) Agency and item	(2) New budget (obligational) authority appropriated, 1989 (enacted to date)	(3) Budget estimates of new (obligational) authority, 1990	(4) New budget (obligational) authority recommended in bill	(5) Bill compared with new budget (obligational) authority, 1989	(6) Bill compared with budget estimates of new (obligational) authority, 1990
Merit Systems Protection Board:					
Salaries and expenses:					
Appropriation	20,488,000	20,987,000	20,987,000	+499,000	
(Limitation on administrative expenses)	(1,400,000)	(1,450,000)	(1,450,000)	(+50,000)	
Office of special counsel	5,000,000	5,142,000	5,142,000	+142,000	
Total, Merit Systems Protection Board	25,488,000	26,129,000	26,129,000	+641,000	
Federal Labor Relations Authority					
	17,540,000	17,500,000	17,500,000	-40,000	
Total, federal personnel activities	7,384,110,000	9,154,816,000	9,154,816,000	+1,770,706,000	
United States Tax Court					
	29,345,000	28,120,000	28,120,000	-1,225,000	
Total, title IV, Independent Agencies:					
New budget (obligational) authority	7,828,640,000	9,582,744,000	9,604,021,000	+1,775,381,000	+21,277,000
(Limitations)	(3,119,237,000)	(3,460,564,000)	(3,409,266,000)	(+290,029,000)	(-51,298,000)
Grand total, all titles:					
New budget (obligational) authority	16,047,410,000	18,416,604,000	18,422,812,000	+2,375,402,000	+6,208,000
(Limitations)	(3,119,237,000)	(3,460,564,000)	(3,409,266,000)	(+290,029,000)	(-51,298,000)