

CRS Report for Congress

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Supplemental Appropriations and Rescissions for FY1998

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ABSTRACT

This report provides a background and overview of the President's numerous proposals for supplemental appropriations and rescissions for FY1998. It discusses special budget rules under which parts of the supplemental have been considered and includes detailed tables listing all accounts affected by the supplement/rescission request. For those programs receiving greatest congressional attention -- IMF funding, U.N. arrears payments, defense operations in Bosnia and Southwest Asia, and natural disaster relief -- there is a more extensive discussion of the issues. The report also identifies related legislation that may impact the supplemental request. Finally, the report tracks congressional debate as the legislation moves from committee to floor consideration to enactment. The report will be updated frequently as legislative actions require.

Supplemental Appropriations and Rescissions for FY1998

Summary

Since early February, President Clinton has sent to Congress several supplemental appropriation requests for FY1998, including funding for:

- U.S. participation in two IMF operations (about \$17.9 billion),
- Payment of U.S. arrearages to international organizations (\$921 million).
- U.S. peacekeeping operations in Bosnia through Sept. 30, 1998, and costs in Southwest Asia related to the confrontation with Iraq (\$1.86 billion).
- Natural disaster relief to aid victims of floods in California and elsewhere, ice storms in the Northeast, tornadoes in Florida, and Typhoon Paka in Guam (\$2.27 billion, including contingent funding).

Natural disaster and defense operation funds were submitted as “emergency” spending that waives the need to find equivalent offsets. For IMF and U.N. arrears funding, Congress enacted a special provision last year in the Balanced Budget Act of 1977 that exempted these items from counting against the discretionary budget caps.

During congressional debate on the supplemental proposals, sharp differences emerged between House and Senate positions, and with the Administration, especially on the issues of requiring offsets for emergency spending, conditions on IMF transfers, and funding for U.N. arrears. The Senate (March 31) passed H.R. 3579, increasing to \$5.4 billion emergency supplemental spending for defense operations and natural disaster relief. As requested, the Senate did not offset these emergency funds with cuts in existing appropriations. The Senate version of H.R. 3579 also provided the full request for the IMF, but did not fund the President's initiative (\$921 million) to clear U.S. arrears at the U.N. and other international organizations.

The House split the supplementals into two bills. H.R. 3579, passed on March 31 (212-208), provided \$2.9 billion in emergency defense and natural disaster aid that were offset by cuts in domestic programs -- a move that drew sharp criticism from the White House. The second bill (H.R. 3580) provides \$17.9 billion for the IMF, \$505 million for U.N. arrears and smaller amounts for non-emergency supplementals. The House has not scheduled debate on H.R. 3580. The Administration strongly opposed separating IMF and UN arrears issues from the emergency supplemental. Officials also characterize conditions attached to the IMF money as "unworkable."

Congress enacted H.R. 3579 on April 30, agreeing to \$5.45 billion in defense and natural disaster emergency relief, of which \$2.58 billion is offset with cuts in section 8 housing reserves and airport contract authority. Defense spending is not offset. Including mandatory programs, H.R. 3579 appropriates \$6.1 billion for supplemental FY1998 spending. As approved, H.R. 3579 does not include IMF funding, although Senate leaders say they have a House commitment that H.R. 3580 will be taken up soon. While concerned over the absence of IMF and U.N. arrears money, President Clinton signed H.R. 3579 on May 1 (P.L. 105-174).

Several House members have said that they plan to link IMF and U.N. arrears funding in H.R. 3580 with restrictions on U.S. international family planning programs related to abortion. The President says he would veto such legislation.

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Division abbreviations: E = Economics; EPW = Education and Public Welfare; ENR = Environment and Natural Resources; F = Foreign Affairs; GOV = Government; STM = Science, Technology, and Medicine.

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Supplemental Appropriations and Rescissions for FY1998

Most Recent Developments

On April 30, Congress cleared H.R. 3579, the emergency supplemental appropriations measure for FY1998 (House vote, 242-163; Senate vote, 88-11). President Clinton signed the bill on May 1, 1998 (P.L. 105-174). On one of the most contentious issues between the House and Senate bills, congressional negotiators agreed to offset \$2.6 billion in emergency natural disaster assistance with cuts in existing domestic programs (section 8 housing reserves, \$2.3 billion; and airport construction contract authority, \$241 million), but not to offset \$2.86 billion in emergency defense funding, \$1.8 billion of which meets the President's request for continuing operations in Bosnia and Southwest Asia. Conferees further excluded from H.R. 3579 the Administration's \$17.9 billion request for the IMF, a proposal adopted by the Senate but placed by the House in a second supplemental measure, H.R. 3580, that has not been scheduled for debate. The President's request for \$921 million to pay U.S. arrears at the United Nations is also excluded in the conference agreement on H.R. 3579. Although the President signed H.R. 3579 on May 1, he expressed strong concern that the legislation did not include funds for the IMF and U.N. arrears.

While Senate Appropriations Committee Chairman Stevens says that he has a House commitment to consider H.R. 3580 "soon," opposition to funding the IMF appears to be growing. House Appropriations Committee Chairman Livingston told President Clinton in a May 1 letter that if he vetoes a State Department authorization bill (H.R. 1757) containing abortion restrictions on overseas family planning programs and is not willing to seek an acceptable compromise on that issue, the House will not pass an IMF/U.N. arrears supplemental. House Democrats have also expressed concern over Administration support for certain IMF policies, including Fund plans for unrestricted movement of investments in and out of countries.

Background

Early in each new session of Congress, the Administration routinely submits requests for supplemental appropriations for the current fiscal year. Such proposals may include items rejected or deferred during congressional consideration of regular appropriations requests the previous session, new requirements arising since enactment of appropriations for the current fiscal year, or more routine matters that are anticipated and generally non-controversial. The President may also ask that Congress rescind, or cancel, funds previously appropriated. Often these rescissions

are proposed to offset some of the costs of the new supplemental proposals. Part or all of a supplemental request may be deemed as an "emergency," thereby avoiding the requirement under budget laws to find equivalent savings to offset the added costs of new initiatives. The President may submit the supplementals and rescissions in multiple packages over the course of several months, with Congress usually considering and finalizing action on one or two supplemental bills by June.

Congress considered supplemental and rescission proposals this year in a somewhat different budgetary environment than in the past. For the first time in over 30 years, the Administration has constructed a budget package for FY1999 that shows a small surplus. Most recent projections by the Congressional Budget Office for FY1998 indicate that the United States will also run a surplus for the current year. Congressional leaders have expressed strong support for maintaining these balanced-budget forecasts for this year and for FY1999. Since most of these supplemental initiatives will be spent in FYs1998/99, congressional action on these additional spending and rescission proposals directly affect the goal of achieving a budget surplus in both years.

Because supplemental appropriations and rescissions are often regarded as "must-pass" legislation, extraneous and controversial issues are often attached to these bills in an effort to enact otherwise stalled legislative items. It is widely expected that during congressional consideration of the supplemental measure this year, proponents of placing restrictions on U.S. international family planning programs will attempt to link their initiatives to Administration requests regarding the IMF and U.N. arrears payments -- either directly or in companion legislation. Congress deferred consideration of these three matters late last year when House leaders refused to take up the IMF and U.N. spending proposals without reaching a compromise agreement with the White House and the Senate on family planning policy. Representative Chris Smith, chief sponsor of House amendments to ban foreign organizations that perform abortions or lobby to change restrictive abortion laws with their own money from receiving U.S. population aid grants, says he has House leadership backing to continue linking the contentious family planning issue with IMF and U.N. legislation.

Congressional Debate Schedule and Enactment of H.R. 3579

During February and March 1998, the Administration submitted five supplemental and rescission messages, anticipating that Congress would consider all parts of the package in a single appropriations/rescission measure, as is common practice. The Administration further encouraged Congress to act on the proposals expeditiously, especially the IMF and international organization arrearage request.

House leaders, however, decided in early March to split the proposals into two separate measures, one addressing the emergency defense and natural disaster funding requirements and the other for IMF, U.N. arrears, and non-emergency supplementals. Accordingly, on March 27, the House Appropriations Committee reported two bills -- H.R. 3579, addressing the emergency requests and H.R. 3580 funding the IMF, U.N. arrears, and other non-emergency programs. A primary reason to split the requests was to avoid delaying consideration of the emergency portions of the supplemental if the House, as expected, attaches international family

planning and abortion restrictions to IMF and U.N. arrears funding. That issue has stalled for several months final enactment of the Foreign Operations Appropriations each of the past three years and is likely to result in a Presidential veto if included in the final legislation. The Administration also opposed splitting the supplementals into two bills, especially if it resulted in a delay of congressional enactment of the IMF and U.N. arrears requests. The House emergency measure (H.R. 3579) also included offsets for new spending, with cuts to domestic programs favored by the White House. On March 31, the House narrowly passed H.R. 3579, 212-208, but has not scheduled debate on H.R. 3580. IMF critics in the House, including Majority Leader Arney, argue that further congressional hearings and additional institutional reforms by the IMF are necessary before the House considers H.R. 3580.

Acting in mid-March, the Senate Appropriations Committee, at the request of the House, also divided the supplementals/rescissions package and reported on March 17 two bills: S. 1768 providing emergency supplementals for defense operations and natural disasters, non-emergency supplementals, and rescissions; and S. 1769 providing funds for the IMF. (The Committee did not approve the payment of U.S. arrearages to the U.N.) However, during debate on S. 1768, the Senate adopted an amendment attaching IMF funds to S. 1768, thereby re-joining the entire supplemental appropriations and rescissions into a single legislative vehicle. Unlike the House, however, the Senate did not provide offsets for emergency supplemental appropriations. The Senate completed debate on S. 1768 on March 26, but waited to pass it until it received the House companion measure, H.R. 3579. Accordingly, on March 31, the Senate adopted H.R. 3579 after striking out the House language and substituting the amended text of S. 1768.

Although congressional leaders had hoped to enact at least the emergency portions of the pending supplemental requests prior to the spring recess, the shortage of time put off conference meetings until late April. With such significant differences between the two versions of H.R. 3579, House and Senate leaders met April 23 in advance of the conferees in order to resolve the largest of the disputed issues. They agreed to remove IMF funds, as included by the Senate but not by the House, from H.R. 3579 conference committee negotiations, but reportedly, in exchange, the Senate received a House commitment that it would schedule debate soon on its second supplemental bill, H.R. 3580. House supporters of the IMF had attempted to instruct conferees to include IMF funding in H.R. 3579, but the motion offered on April 23 failed 186-222. Congressional negotiators worked under considerable time pressure stemming largely from Defense Department concerns that without the additional funds, the Pentagon would be forced to cut training and furlough civilian personnel after May 1.

House and Senate conferees met for two days -- April 28-29 -- with most of the debate centered on the question of whether to offset the emergency natural disaster and defense appropriations, and if so, where to find the necessary cuts in existing program budgets. Further controversy surrounded proposals made by several Members to attach other issues to the supplemental, including a bill regarding guaranteed student loan interest rates and bank subsidies. On April 30, conferees reached agreement on H.R. 3579, deciding to offset \$2.58 billion for emergency natural disaster aid, but not to offset \$2.8 billion for defense operations. Later on

April 30, the House passed the conference report (242-163), followed by the Senate (88-11).

President Clinton signed H.R. 3579 on May 1 (P.L. 105-174), but expressed strong reservations that the legislation did not include IMF and U.N. arrears funding. He also objected to several provisions included in the enacted bill:

- permission to build a highway through the Petroglyph National Monument near Albuquerque, New Mexico (section 3005).
- conditions on the implementation of an Administration of a suspension of road construction in roadless areas of national forests (section 3006).
- delay in the application of an Interior Department rule that would increase the valuation of crude oil for royalty purposes extracted from federal lands by major oil companies (section 3009).
- extension of the comment period and delay in implementation of Organ Procurement Transplantation Network" final rule (section 4002).
- cuts in section 8 housing reserves.

Budget Issues Related to the Supplementals

Debate over FY1998 supplementals included references to how certain aspects of the request would be considered from a budgetary standpoint. For the IMF and international organization arrearages, Congress and the White House agreed last year in the Balanced Budget Act of 1997 to specific budget procedures under which these funding requests would be considered, if and when Congress took them up. But the issue of whether to designate most of the remaining supplemental requests as "emergency" requirements and not offset the additional spending with rescissions, as proposed by the President and adopted by the Senate, became one of the most controversial features of the supplemental debate.

Offsets and the "Emergency" Designation. The White House designated the entire \$4.1 billion requested for DOD operations in Bosnia and Southwest Asia, and domestic natural disaster relief as "emergency" requirements. (The President also asked for another \$46 million in non-emergency supplementals, to be offset by either rescissions, transfers, or the collection of fees.) The emergency designation allows Congress to approve the additional funds without rescinding, or canceling an equivalent amount from enacted appropriations. If Congress agreed with the President to define any part of the supplemental as an "emergency" and not offset the amounts, discretionary spending would likely rise above the budget caps set last year by Congress for FY1998 and reduce the size of the budget surplus for this year. This would break a five-year pattern in which nearly all supplementals have been offset, in budget authority but not in outlays, by corresponding reductions.

Lawmakers supporting the emergency designation believe that rescissions in discretionary spending enacted the past few years to offset previous supplementals

have narrowed the options for further cuts to a very difficult set of alternatives. Moreover, many say that defense spending reductions in recent years, combined with the practice of paying for overseas missions by raiding other DOD accounts, have stretched military readiness capabilities to the limit. Protecting defense spending by finding offsets exclusively among domestic programs, however, presents the problem of breaking the so-called "firewalls" between defense and domestic accounts. In the past, defense supplementals would be offset by cuts in the defense budget, while additions for domestic programs would be paid for by reducing existing domestic appropriations. Members critical of the emergency designation, including House Budget Committee Chairman Kasich, argue that Congress and the President should adhere to the discretionary caps established for the next five years in the Balanced Budget Act of 1997 and include offsets for the entire supplemental package. Breaking the caps, they believe, sets a dangerous precedent for future spending requirements.

Congress split on the question of offsets, with the Senate supporting the President's decision not to seek offsets while the House required rescissions for all new money. During debate on S. 1768, the Senate increased the President's emergency supplemental requests to \$5.4 billion, designating the entire amount as emergency funds without providing offsets or rescissions. The Senate also discussed the offset issue but rejected three amendments that would have had the effect of re-designating parts of the additional funding as non-emergency, and thus requiring corresponding offsets.¹

Two days earlier, however, the House Appropriations Committee ordered-reported an emergency supplemental measure of \$2.9 billion, that included rescissions offsetting the entire amount in budget authority.² The House panel's selection of programs to cut -- HUD's section 8 housing excess reserves, FAA's airport contract authority, the Corporation for National and Community Service (AmeriCorps), and the Department of Education's bilingual education program -- also became highly controversial. Other House critics expressed concern that the offset issue had delayed enactment of emergency funds for DOD that would adversely impact Pentagon operations over the next four months. An effort by Representative Murtha, however, to recommit H.R. 3579 to the Committee in order to strike all offsets failed 195-224. Some, including Senate Minority Leader Daschle, speculated that such offsets would prompt a Presidential veto of the supplemental package.

As mentioned above, House and Senate negotiators agreed to offset domestic natural disaster aid with cuts in section 8 housing reserves (\$2.35 billion) and airport

¹The Senate tabled three proposals: a Gramm/Santorum amendment (76-24) that would have designated any funds not obligated in FY1998 as non-emergency; a Feingold amendment (92-8) designating the Bosnia funds as non-emergency; and a Nickles amendment (68-31) that would have removed the emergency designation for the FEMA request.

²The main difference between House and Senate emergency funding levels concerned the Administration's \$1.6 billion request submitted on March 24 for the Federal Emergency Management Agency (FEMA). During debate on S. 1768, the Senate added the emergency funding proposal, while the House Appropriations Committee did not.

construction contract authority (\$241 million). Over \$2.8 billion in emergency defense funds, \$1.8 billion of which is for continuation of operations in Bosnia and Southwest Asia, was not offset in H.R. 3579. Although Congress dropped several other controversial House offset proposals concerning cuts to AmeriCorps and bilingual education budgets, congressional leaders acknowledge that the housing reserves reductions leaves a gap that will have to be filled for FY1999.

IMF and U.N. arrears special budget provisions. Last year, during congressional-executive negotiations over a budget resolution for FY1998 and subsequent reconciliation legislation, Congress and the White House agreed to provide special budgetary treatment for the IMF and for U.N. arrearage payments. Enacted as part of the Balanced Budget Act of 1997 (section 10114 of P.L. 105-33), this provision establishes a procedure for the chairmen of the Budget Committees to adjust various budgetary levels for the period FY1998-2002. Included among the programs that could trigger automatic adjustments to statutory discretionary spending limits are the IMF and international organization arrears.

At the time of congressional consideration of the Balanced Budget Act (BBA), requests for the IMF/NAB and U.N. arrears were pending in Congress, and the Administration had indicated that an IMF quota increase would be included in its FY1999 budget submission. Anticipating possible, but not certain, congressional approval of these proposals, the BBA provided specific budgetary accommodations. Under the terms of the BBA, when legislation appropriating funds for the IMF quota increase and/or the NAB through FY2002, and for U.N. and other multilateral development bank arrears through FY2000 (up to a maximum of \$1.884 billion) is reported by the Appropriations Committees, the Budget Committee chairmen will increase the overall discretionary spending caps by an amount equivalent to the new IMF and arrears appropriations. Accordingly, since a budgetary allowance has already been made for enactment of IMF and U.N. arrears payments, the President's supplemental request does not have to be offset by corresponding reductions in other discretionary budget authority and outlays. Some had expressed concern that unless the budget agreement included special provisions for these foreign policy priorities, they would face considerable opposition if Congress had to find savings in domestic or other international programs to offset their costs.

Summary of Supplementals and Rescissions

Administration supplemental and rescission requests, plus those added by Congress, cover a wide range of domestic, international and defense programs. Most involve new spending, although in some cases the supplemental resources are made available through transfers from existing appropriations or by the collection of fees. In other cases, the requests do not require additional appropriations, but are proposals to repeal or clarify language enacted in prior appropriation acts.

Budgetary treatment of the proposals varies among the programs. Congress, for example, enacted special budget rules last year for consideration of the IMF and U.N. requests. As noted above, large portions of the supplemental -- DOD Bosnia and Iraq-related funds and domestic disaster relief aid -- have been submitted as "emergency" requirements, that if sustained by Congress, would not require offsets

to cover the additional costs. Finally, the President and Congress have proposed a number of smaller non-emergency requests that are offset with a package of rescissions. Table 1 and the discussion that follows summarize each of the supplemental and rescission initiatives. Table 2 and Tables 3-6, the latter which appear at the end of this report, provide details of the legislative action on each program account.

Table 1. FY1998 Supplemental Appropriations and Rescissions Summary
(budget authority millions of dollars)

	Request	H.R. 3579			HR 3580/S. 1769	
		House	Senate	Enacted	House	Senate
Emergency supplementals:						
Domestic -- Natural Disasters	\$2,100	\$594	\$2,940	\$2,583	--	--
Defense -- Natural Disasters	\$173	\$195	\$173	\$257	--	--
Defense -- Bosnia	\$487	\$487	\$487	\$479	--	--
Defense -- Southwest Asia/Iraq	\$1,361	\$1,311	\$1,296	\$1,311	--	--
Defense -- other	\$0	\$295	\$495	\$813	--	--
Iraqi opposition aid	\$0	\$0	\$10	\$5	--	--
Total, Emergency supplementals	\$4,121	\$2,883	\$5,401	\$5,449	--	--
Non-Emergency Supplementals:						
IMF Quota Increase and the NAB*	\$17,900	\$0	\$17,900	\$0	\$17,900	\$17,900
U.N./Intl Organizations arrears*	\$921	\$0	\$0	\$0	\$505	\$0
Veteran Compensation/mandatory*	\$550	\$0	\$550	\$550	\$550	--
Other domestic (non-emergency)	\$46	\$0	\$272	\$142	\$134	--
Rescissions/offsets for emergencies	\$0	\$2,885	\$0	\$2,588	--	--
Rescissions/offsets for non-emergency	\$46	\$0	\$263	\$143	\$131	--

NOTE: The Senate passed H.R. 3579 after striking the House-passed text and substituting S. 1768.

* These non-emergency items do not require rescissions or offsets.

Emergency Natural Disaster and Defense Supplementals

Natural disasters. Following a series of floods, ice storms, and other natural disasters in late 1997 and early 1998, the President requested a total of \$640 million in new spending and contingent funding to meet the emergency requirements posed by these natural disasters. Subsequently, on March 24, the Administration sent to Congress a proposal for an additional \$1.632 billion for the Federal Emergency Management Agency (FEMA), bringing the total natural disaster funding request to \$2.27 billion. All the proposed money was sought as an "emergency" requirement.

Of this amount, \$390 million would have been immediately available, while another \$1.88 billion was requested as contingent emergency funding. Full assessments of the damage caused by these recent natural disasters was continuing, and the availability of the \$1.88 billion was contingent on the identification of specific requirements by the Departments of Agriculture, Defense, the Interior, Transportation, the Corps of Engineers and FEMA. Pursuant to the "emergency" designation process set forth in the Balanced Budget Act of 1985, in order to release these funds following congressional enactment of the supplemental spending measure, the President must submit a finding to Congress that the money is needed for specific purposes. (See Table 3 and discussion below for more details on the natural disaster portion of the supplemental.)

Congressional action. H.R. 3579, as passed by the Senate, increased by nearly \$675 million the President's proposed natural disaster supplemental requests, but made available a much larger portion of the funds on a contingent basis. Of the \$2.9 billion total, all but \$86 million was contingent funding. Major items added by the Senate included \$260 million for HUD community development bloc grants, \$208 million to cancel the sale of oil from DOE's Strategic Petroleum Reserve that had been mandated for FY1998, \$33 million for the Corps of Engineers, \$9 million for HHS' Disease Control programs and polio eradication in Africa, and \$100 million for USDA watershed and flood prevention. The Senate designated all amounts as an emergency.

The House, in its version of H.R. 3579, recommended \$790 million for emergency natural disasters, but did not include the \$1.632 billion FEMA request that arrived in Congress during House deliberations. Excluding FEMA, the House level was about \$130 million higher than the Administration proposal. The House added \$25 million for USDA watershed and flood prevention, nearly \$60 million for the Army Corps of Engineers, \$20 million for HUD community development bloc grants, and roughly \$70 million (net) for weather-related damage to Defense Department facilities in Guam and the United States. All amounts were designated as an emergency, but were offset by non-defense rescissions.

The enacted bill provides \$2.84 billion for weather-related disaster relief, including \$257 million for damage at Defense Department facilities in Guam and throughout the United States. The level is about \$550 million higher than the President's request. The non-defense portion of natural disaster aid -- \$2.58 billion -- is fully offset by cuts in domestic programs while the defense funds are not offset. Congress provided most -- \$1.6 billion -- of the FEMA request, plus increased the President's proposal in a number of areas, including Corps of Engineers funding (\$105 million) and USDA watershed and flood prevention (\$80 million). H.R. 3579 further includes items not requested by the Administration, including HUD community development bloc grants (\$130 million) and \$208 million to cancel the required sale of oil from the Strategic Petroleum Reserve. Congress also adopted the Senate provision providing \$9 million for polio eradication programs in Africa, but designated the funds as non-emergency.

Defense Department Funds for Bosnia and Iraq-related requirements. The President sought supplemental funding for two DOD overseas deployments: \$486.9 million to continue U.S. peacekeeping operations in Bosnia beyond June 30, 1998,

and \$1.361 billion for expenses of building up American forces in Southwest Asia in response to the confrontation with Iraq. Both were offered as "emergency" requirements and were not offset by cuts in other DOD programs. (See below for more discussion and Table 4 at the end of this report.)

Congressional action. The Senate, in passing H.R. 3579, supported the full request for Bosnia, but reduced by \$65.9 million DOD's Southwest Asia funding proposal. Most of the cut came from the denial of \$50 million for transportation costs of allied personnel and equipment associated with buildup in the Persian Gulf region. During floor debate, the Senate added several emergency defense spending amendments that had not been formally requested, including \$151 million for theater missile defense, \$273 million for F/A-18 fighter aircraft for the Marine Corps, \$37 million for DOD humanitarian assistance channeled through the Red Cross, and \$35 million for demining activities in Bosnia.

In addition, the Senate adopted an amendment, offered by a bipartisan group of Senators, appropriating \$10 million--designated as "emergency" funds--to assist Iraq's opposition to Saddam Husayn. Of those funds, \$5 million would back such opposition activities as organization, training, dissemination of information, and brokering cooperation among the diverse groups that comprise the opposition. The other \$5 million would be made available to Radio Free Europe/Radio Liberty for surrogate broadcasting to the Iraqi people, known as "Radio Free Iraq." The provision appears to have broad support in Congress; it incorporates elements included in the March 10 conference report on the State Department authorization for FY1998-99 (H.R. 1757).³

The House (H.R. 3579) also approved all requested funding for Bosnia and Southwest Asia, except for \$50 million in drawdown authority. But unlike the Senate, the House offset the additional spending with cuts in non-defense accounts. H.R. 3579 also adds \$37 million for the Reserve Mobilization Income Insurance Fund, an account set up in 1996 to provide income insurance for reserve personnel involuntarily called into service. The House also incorporated an amendment by Representative Skaggs that would ban the use of any funds appropriated to be used in an offensive attack on Iraq unless authorized by Congress.

As passed, H.R. 3579 makes a small reduction (\$7.9 million) in Bosnia funds, based on the assessment that the request included excessive infrastructure development costs, and reduces by \$50 million Southwest Asia funding, as passed in both Houses, for drawdown authority not necessary for U.S. operations. Congress further accepted nearly all new defense spending items not requested but added in the House and Senate, including theater missile defense (\$179 million), F/A-18 aircraft (\$273 million), humanitarian aid through the Red Cross (\$37 million), Bosnia demining (\$28 million), and Reserve Mobilization Income Insurance Program (\$47 million). The enacted bill includes \$5 million for Radio Free Iraq and earmarks \$5 million of existing FY1998 Foreign Operations appropriation for programs in support the Iraqi opposition. None of the defense funds are offset by cuts in current program

³For further information on this issue, see CRS Report 98-179 F, *Iraq's Opposition Movements*, by Kenneth Katzman.

spending. Congress also adopted the Skaggs amendment requiring congressional authorization for an offensive strike against Iraq, but made it a non-binding "sense of Congress."

Offsets for Emergency Supplementals

As discussed above, one of the most contentious issues in the supplemental debate was whether to offset additional emergency funds with cuts in existing appropriations, and if so, from which programs should the reductions be drawn. The Senate did not include offsets in its bill, but legislation (H.R. 3579) passed by the House reduced by \$2.89 billion spending for five domestic programs.⁴ The decision to offset new emergency funds and the selection of these five activities raised strong objections from the Administration and a number of lawmakers.

HUD Section 8 Housing Excess Reserves. In recent years, HUD's accounting system for tracking funding for vouchers, certificates, and project-based assistance developed substantial reserves in budget authority. In part, these reserves supported program flexibility thought necessary because funding for housing assistance was disbursed widely to local housing authorities to meet the specific needs of eligible families. However, concerns about lack of clear accountability and potential for abuses led Congress and the Department of Housing and Urban Development (HUD) to alter the section 8 funding structure, combining several different accounting responsibilities under the new Housing Certificate Fund (HCF). As a part of this financing restructure, HUD has sought to identify and recover existing reserve accounts, restoring them to the old Housing Preservation Account, temporarily continued under P.L. 105-65 for this purpose. These funds represent spending authority that may eventually be needed.

As passed by the House, H.R. 3579 rescinded \$2.19 in HUD section 8 reserves billion, accounting for about three-fourths of total offsets in the bill. During debate, the House adopted an amendment by Chairman Livingston increasing the Committee-reported rescission by \$264 million in order to reduce the cuts in FAA airport contract obligation limitation for this year and to add funding for HUD community development bloc grants. The majority view of the House Appropriations Committee was that the recaptured funds could be safely rescinded, and actual needed amounts could be appropriated for FY1999 to the HCF. In dissenting remarks to the Committee's report, however, Representative Obey, argued that the rescission would eliminate 20 percent of funds needed to renew section 8 contracts in FY1999 with no identification of where such money will be found to restore the offset in H.R. 3579. As enacted, H.R. 3579 rescinds \$2.347 billion of section 8 reserves that supporters of the proposal say will not impact FY1998 housing needs and that will be restored in subsequent legislation. Although critics agree that the funds are not required for this year, they argue that funding the gap for next year that the rescission creates will result in cuts for other programs in FY1999.

⁴During floor debate, a motion by Congressman Murtha to recommit H.R. 3579 to Committee in order to strike the offsets lost on a vote of 195-224.

FAA Airport Grant-in-Aid contract authority and obligation limits.

Initially, the House Appropriations Committee had recommended a \$610 million rescission, \$275 million of which would reduce the FY1998 Airport Improvement Program to \$1.425 billion. In the face of strong opposition from a bipartisan group of House Transportation Committee leaders and others, the House adopted an amendment paring back the airport rescission by \$244 million so that it would not affect FAA programs for this year. As enacted, H.R. 3579 further reduced the rescission to \$241 million.

Corporation for National and Community Service. For FY1998, Congress appropriated \$425.5 million for National and Community Service Programs administered by the Corporation for National and Community Service. Of this amount, the largest earmarks are for AmeriCorps Grants (\$227 million) to national, state, and local organizations that operate community service programs and for the National Service Trust (\$70 million) from which educational awards are made to participants in the AmeriCorps Grants program, the National Civilian Community Corps, and the VISTA program. (VISTA is funded under the Labor/H appropriation bill). A \$250 million rescission would have reduced FY1998 funding by 58%, an action which would be expected to significantly curtail community service activities administered by the Corporation. In dissenting views to the Committee's report, Congressman Obey maintained that the rescission would eliminate nearly all remaining unobligated funds for the program, virtually closing down additional AmeriCorps activities for the rest of FY1998. House-Senate conferees, however, deleted this rescission from the enacted bill.

Bilingual Education. The House recommended rescinding \$75 million, including obligated but unspent money, of the Department of Education's Bilingual and Immigrant Education program. It was estimated that approximately 39,000 fewer bilingual education students would be served than otherwise anticipated at the initial FY1998 funding level. Congress deleted the bilingual education rescission, however, from the final text of H.R. 3579.

Non-Emergency Supplementals, Rescissions and General Provisions

The Administration submitted a number of relatively small non-emergency supplemental requests for domestic programs that would be paid for by the transfer of funds, by the collection of fees, or through requested rescissions that would cancel funds previously appropriated. One case -- Veterans compensation -- represented a mandatory appropriation.

Non-Emergency Supplementals. Action by the House and Senate increased the President's \$45.6 million non-emergency supplemental requests. The House Appropriations Committee recommended (H.R. 3580) nearly \$134 million, while the Senate approved (H.R. 3579) almost \$270 million. As enacted in H.R. 3579, Congress appropriated \$142 million for non-emergency programs, nearly \$100 million more than requested by the President. The largest amounts approved in H.R. 3579 concern "Year 2000" computer conversion problems at both the Treasury Department and the Federal Aviation Administration. The President asked Congress to permit the transfer of \$250 million in existing Treasury funds to address this problem. While supporting the intent of the executive branch proposal, Congress

provided in H.R. 3579 a direct appropriation of \$40.8 million, plus the reprogramming of \$133 million that covers the total requirement that Treasury officials now estimate. Although not requested for the FAA, H.R. 3579 provides \$25 million to correct Year 2000 problems in air traffic control computers and software applications.

Table 5 at the end of this report provides funding details on each of the non-emergency supplementals. Other selected non-emergency supplementals are discussed below.

- Food and Drug Administration -- The Prescription Drug User Fee Act (PDUFA) authorizes revenues from fees paid by human drug and biologics companies to fund additional personnel to expedite the review of human drug applications. The President sought an additional \$26 million to be collected during FY1998 (bringing the total to \$117.2 million) to continue the expedited review of drug and biologics applications. Congress enacted \$25.9 million.
- Department of Agriculture (USDA) -- The President requested \$5 million, of which \$3.1 million would fund USDA's civil rights activities, including \$500,000 for an advisory committee on civil rights. The remaining \$1.9 million would support USDA Departmental Administration non-civil rights programs that were reduced in the enacted FY1998 appropriations. The proposal would increase FY1998 outlays by \$5 million, but would be offset by rescissions totaling \$5 million from 13 different USDA accounts. Congress reduced the request to \$2.2 million.
- Department of Energy (DOE) -- The Administration proposed \$12 million to accelerate the pumping schedule of underground tanks containing hazardous chemicals and radioactive liquid waste at the Hanford, Washington site. Funding for this proposal would be derived from prior year appropriations under DOE Weapons Activities, Uranium Enrichment Decontamination and Decommissioning Fund, and Other Defense Activities. Outlays for FY1998 would rise by \$0.35 million. The Senate and the House Appropriations Committee, however, did not approve this request, saying that there were sufficient unobligated balances to meet DOE's needs.
- Department of the Interior -- The President sought \$5.7 million for document collection in litigation over Bureau of Indian Affairs (BIA) mismanagement of individual Indian trust funds (\$1.05 million for BIA costs and \$4.65 million for the Office of Special Trustee for American Indians). This would increase FY1998 outlays by \$3.9 million. Congress approved the request.
- USDA -- The executive branch proposed \$6.7 million for Farm Service Agency farm ownership direct and guaranteed loans. Congress approved a total of \$11.6 million, including \$3.4 million for direct and guaranteed farm ownership loans, \$8 million for direct and guaranteed farm operating loans, and \$222,000 for boll weevil eradication loans.

- NASA -- The Administration asked Congress to provide authority to transfer up to \$173 million to the "Human Space Flight" account in order to maintain the International Space Station's planned assembly schedule and to control outyear costs. Funding would be drawn from NASA's Science, Aeronautics and Technology (\$45 million), and the Mission Support (\$128 million) accounts. There would be no outlay impact for FY1998. Congress agreed to \$53 million, to be transferred from the Mission Support account. The House had approved the full request, while the Senate had rejected it.
- Department of Health and Human Services -- The President proposed \$16 million for Health Care Financing Administration (HCFA) Program Management in order to develop national standards to simplify claims processing for both federal and private health care providers. The request would also support federal oversight and enforcement of the Health Insurance Portability and Accountability Act (HIPAA, P.L. 104-191). Among other responsibilities, this law requires (through HCFA) to directly administer HIPAA's insurance reforms in states that elect not to do so. At least five states have elected this option. HCFA argued that the supplemental appropriation is critical to its HIPAA implementation activities. Outlays for FY1998 would have increased by \$4.8 million, but be offset by an accompanying reduction in the obligation limitation for Peer Review Organizations. The House Appropriations Committee approved the request, but the Senate deleted the \$16 million in a floor amendment offered by Senator Nickles. (The Senate rejected 51-49 a Kennedy amendment to the Nickles amendment that would have provided \$8 million for HCFA.) The enacted version of H.R. 3579 includes \$2.2. million.

Congress further included funding for several additional non-emergency supplementals:

- Health and Human Services (HHS) -- \$100,000, as added by the Senate, for Indian Health Services for counseling services at the Standing Rock Reservation, where there has been a growing suicide attempt rate in the past year.
- Architect of the Capitol -- \$7.5 million to begin emergency repair and rehabilitation of the Capitol dome and \$20 million to implement the Capitol square perimeter security plan and to improve perimeter security of the Senate Office Buildings and the Capitol square.
- Amtrak -- \$2.5 million for Amtrak's Reform Council, as added in the House.

Repeal or Language Changes in Existing Appropriation Laws. The President included proposed repeals or modification of general provisions and other text contained in several enacted FY1998 appropriation measures. During debate, Congress added others. Among these general provisions were two concerning "open season" for Federal employees retirement plans and forest service road moratorium, that received prominent attention.

Federal employee retirement "open season". Last year, Congress approved legislation (section 642 of the Treasury and General Government Appropriations Act, 1998) providing an "open season" in 1998 for federal workers to switch retirement programs from the Civil Service Retirement System to the Federal Employees Retirement System. An estimated one million employees would be eligible to participate in the "open season," an initiative opposed by the Administration which says it would divert agency operating resources from funding pay raises and other priorities, and would slow government downsizing. OMB estimated that repeal of section 642, as proposed in the supplemental request, would save \$167 million in FY1999 and a total of \$1.036 billion through FY2003. Congress rejected the proposed repeal.

Forest Service Road Moratorium General Provision. A new general provision added by the Senate dealt with Forest Service road construction. On January 22, 1998, the Administration proposed a temporary moratorium on new road construction into Forest Service roadless areas, to provide a respite while developing a new long-term policy for transportation planning in the national forests. Western Republicans have strongly objected to the expected short-term decline in timber sales, because of the loss of supply for dependent mills and the decline in revenue-sharing payments to counties. Senator Craig offered an amendment, accepted by the Senate, directing the Forest Service (1) to offer timber sales proposed for roadless areas despite the moratorium or to offset any proposed sales not sold with other timber sales; (2) to provide compensation to the counties if the sale value declines; and (3) to report on existing management plans, on the road inventory; and on the economic and social effects of the moratorium. The Senate also approved the use of \$2 million from this Act, and additional money from any non-earmarked funds as needed, for any additional costs to pay the counties. The enacted text of H.R. 3579 (section 3006) adopts the Senate provision with several modifications. Although House-Senate conferees expressed their disagreement with the Forest Service's proposed moratorium, as approved, section 3006 neither endorses nor prohibits a road building moratorium. Timber sales scheduled as of October 1, 1997 should be considered for compensation or substitution, but conferees deleted \$2 million to compensate counties for lost timber-receipt revenue caused by the moratorium. Instead, the Forest Service may make such payments out of any FY1998/99 funds available, with advance approval by the Appropriation Committees. The enacted text also includes the reports required in the Craig amendment.⁵

Rescissions Offsetting Non-Emergency Supplementals. A final part of the President's request and the enacted bill is a package of rescissions, or the cancellation of previously appropriated funds, that offset the additional costs of non-emergency supplementals. President Clinton recommended the rescission of about \$46 million from 26 appropriation accounts, most in the amount of \$1 million or less. (See Table 6 at the end of this report for rescission details.)

Congressional action. Congress increased to \$142 million the amount of rescissions, largely because of congressional add-ons for non-emergency spending

⁵For background on this issue, see CRS Report 97-706 ENR, *Forest Roads: Construction and Financing*.

that require offsets. The largest rescission -- \$54 million -- reduces the contract authority for the Federal Aviation Administration's Grants-in-Aid for Airports program. Congress further rescinded \$30.3 million of the IRS' information technology investments, funds it believes are not needed for IRS modernization this year. Other changes from the President's request include cuts to Customs Service salaries (\$6 million) and drug interdiction programs (\$4.5 million) and to HHS' Health Professional Education Fund (\$11.2 million).

Supplemental Appropriations for the IMF and U.N. Arrears

Among the supplemental requests attracting considerable attention are three concerning the IMF and the United Nations. None of these supplementals were included in the enacted text of H.R. 3579, but are still pending in Congress as part of second supplemental spending measures, H.R. 3580 and S. 1769.

- U.S. participation in the IMF's New Arrangements to Borrow (about \$3.4 billion in budget authority, no outlay impact). (See below for more discussion.) (Approved by the Senate, H.R. 3579, and by the House Appropriations Committee, H.R. 3580.)
- U.S. share of the IMF's quota increase (about \$14.5 billion in budget authority, no outlay impact). (See below for more discussion.) (Approved by the Senate, H.R. 3579, and by the House Appropriations Committee, H.R. 3580, but with significantly different conditions under which the funds can be made available.)
- U.S. payment of arrearages to the United Nations and other international organizations (an advance appropriation totaling \$921 million, to be made available in FY1999 (\$475 million) and FY2000 (\$446 million)). (See below for more discussion.) (Not approved by the Senate. The House Appropriations Committee recommends in H.R. 3580 \$505 million, including the full amount for FY1999)

Table 2. IMF and U.N. Arrears Supplemental Appropriations

(budget authority in millions of dollars)

	Request	House HR 3580	Senate HR 3579	Enacted HR 3579
IMF New Arrangements to Borrow	\$3,400.0	\$3,400.0	\$3,400.0	\$0.0
IMF Quota Increase	\$14,500.0	\$14,500.0	\$14,500.0	\$0.0
U.N. arrears payments	\$921.0	\$505.0	\$0.0	\$0.0

Analysis of Selected Supplemental Issues

Natural Disaster Assistance

States, localities and voluntary organizations manage thousands of disasters each year with little or no federal assistance. When damages exceed the capabilities and resources of these organizations, however, many federal agencies provide domestic disaster assistance. Grants, loans, and technical assistance are funded through authorized programs with annual as well as supplemental appropriations. Similar to other supplemental appropriations in the past, the President requested additional funds for several agencies to meet the needs of disaster victims suffering from the effects of flooding in California, Florida, and other parts of the country, ice storms in the Northeast, Typhoon Paka in Guam, and other domestic natural disasters.

The Federal Emergency Management Agency (FEMA), an independent agency, coordinates federal disaster assistance activities and makes grants and loans available to individuals, state and local governments, and certain nonprofit corporations. For-profit enterprises, including utilities not owned by state and local governments, are not eligible for FEMA grants or loans. The principal federal authority for the provision of domestic disaster relief is the Robert T. Stafford Disaster Relief and Emergency Assistance Act.⁶ The act authorizes the President to issue major disaster declarations, sets out eligibility criteria, and specifies the types of assistance the President may authorize. FEMA, through delegated powers, administers most of the authority granted in the Stafford Act.

The Departments of Housing and Urban Development (HUD), Agriculture, Transportation, Defense, and the Small Business Administration (SBA) also help devastated communities return to their pre-disaster condition. In recent years, Community Development Block Grant (CDBG) funds administered by HUD have been used by communities to pay for infrastructure repair as well as the non-federal share of other federal assistance programs. SBA loans may be used to rebuild homes, replace personal property, or assist businesses that sustain disaster-related damages.

Funds are appropriated for Stafford Act assistance on a “no-year” basis; that is, the funds remain available indefinitely and do not have to be spent in any given fiscal year. The balance in the fund fluctuates continually as contracts between FEMA and grantees are negotiated. At the end of calendar year 1997, \$3.8 billion was available in the Fund. The President's initial supplemental request did not include funding for FEMA. One possible explanation was that, at that time, sufficient funds were considered to be available to meet the needs of disaster stricken communities in FY1998. Subsequently, however, on March 24, the Administration requested an additional \$1.632 billion for FEMA. See Table 3 at the end of this report for complete funding details on the natural disaster supplementals.

Congressional action. The Senate (H.R. 3579) approved many of the President's natural disaster supplemental recommendations, expanded relief funding

⁶P.L. 93-288, Disaster Relief Act of 1974 (May 22, 1974), as amended by P.L. 100-707 (Nov. 23, 1988). The Act was further amended by: modification of hazard mitigation authority, P.L. 103-181 (Dec. 8, 1993) and transfer of civil defense authority, P.L. 103-337 (Oct. 5, 1994). For further information see: *FEMA and Disaster Relief*, by Keith Bea, CRS Report 97-159 GOV (Jan. 26, 1998), p. 27. See also: *Disaster Relief Program Summaries*, by Keith Bea, CRS Report 97-273 GOV (Feb. 25, 1997), p. 4.

in a few areas, but made most of the money available on a contingent basis. Overall, the Senate appropriated \$2.9 billion, including \$1.6 billion for FEMA, representing a level \$673 million more than the President's proposal. The House approved a much smaller amount -- \$790 million -- largely because it did not consider the FEMA proposal. As enacted, H.R. 3579 provides \$2.84 billion for natural disasters, about \$550 million more than the President's request. Of the total, \$2.58 billion is for domestic programs while \$257 million funds weather-related damage assistance for defense facilities in Guam and throughout the United States. The legislation further includes \$1.6 billion for FEMA.

Major Elements of the Natural Disaster Supplemental.

- Repair of highways damaged by floods in California, the Northeast, and nation-wide -- The President requested \$259 million for the Department of Transportation's Federal Highway Administration, of which \$35 million would be contingent funding. Congress approved the full \$259 million,
- Assistance for farmers and ranchers affected by ice storms in the Northeast, rains and flooding in California, tornadoes in Florida, and other disasters -- The Administration proposed \$85 million in total for USDA programs, including 1) \$40 million for the Watershed and Flood Prevention Program to repair damages to waterways and levees following flooding; 2) \$20 million for the Emergency Conservation Program, a cost-sharing program that helps agricultural producers clean up and rehabilitate their lands following a disaster; 3) \$21 million in new budget authority to support up to \$87 million in Farm Service Agency's low-interest emergency disaster loans; and 4) \$4 million in direct payments to livestock producers experiencing severe production losses or a high livestock mortality rate due to a disaster. Of the \$85 million requested, \$20 million was designated as emergency funding and the balance of \$65 million is contingent funding.

The Senate increased total assistance for farmers and ranchers to \$217 million, which included \$44.5 million more than the Administration's request for the Emergency Conservation Program, and \$60 million more for watershed and flood prevention operations. The Senate also provided \$8.7 million to defray the cost of rehabilitating or replanting trees and vineyards damaged by disasters, and \$10 million to separately compensate dairy producers for lost milk production. The House approved \$121.5 million for these programs, including an increase of \$30 million over the Administration request for watershed and flood prevention, \$4.7 million in tree assistance, and \$6.8 million in dairy producer disaster payments. As enacted, H.R. 3579 provides a total of \$159.8 million for these activities, nearly double the President's request. Appropriations include \$34 million for the Emergency Conservation Program, \$6.8 million for dairy producers, \$4 million for livestock producers, \$14 million for tree and vineyard damage, \$80 million for watershed and flood prevention, and \$21 million, as requested, for Farm Service Agency emergency disaster loans.

- Repair of damage in several National Forests caused by ice storms in New England in January 1998 and by high winds in the Routt National Forest in Colorado last fall -- The executive branch sought \$10 million for the

Department of Agriculture's National Forest System, of which \$5 million was contingent funding. Congress approved \$10.5 million.

- Repair of damage to urban and rural trees and forests in the Northeast caused by ice storms -- The President proposed \$48 million for the Agriculture Department's State and Private Forestry program, \$28 million of which would be contingent funding. Congress approved this request.
- Repair of damage to national wildlife refuge property, national park facilities, and flood control levees and dikes -- The Administration asked for \$40.5 million for several Interior Department programs, all available on a contingent basis. The Senate approved \$43.5 million for these purposes; the House recommended \$39 million. H.R. 3579 provides \$47 million.
- Repair of navigation channels and harbors, flood control channels, and reservoir facilities due to flooding in California, the Pacific Northwest, and Florida -- The President proposed \$30 million, all contingent. The Senate approved the entire amount, plus added \$33 million for the repair of levees and waterways in Elba and Geneva, Alabama, and repairs to the Archusa Dam in Mississippi. The House raised the requested amount to \$84.5 million. As enacted, H.R. 3579 provides \$105.2 million, but drops the Senate earmarks for repairs to facilities in Mississippi and Alabama.
- Repair of several U.S. military facilities in Guam damaged by the December 1997 Typhoon Paka — The Administration requested \$120.7 million for various DOD operation and maintenance, family housing, and working capital fund accounts. Congress approved the total amount as requested.
- Assisting needs at U.S. military facilities, especially in California, that arise from severe weather conditions -- The executive sought \$50 million from DOD O&M Defense-wide account, all of which would be contingent funding. The Senate reduced the amount to \$44 million, while the House did not include funding for this request. Based on more current estimates of damage needs, Congress enacted \$125.5 million for this account.

In addition to these requested natural disaster supplementals, the Senate and House added funds for other requirements, including:

- Assisting efforts to eradicate polio in Africa -- The Senate added \$9 million for the Center for Disease Control to support CDC and World Health Organization "national immunization days" in 40 countries over the next several months and to link Africa with the global polio surveillance network. H.R. 3579, as enacted, includes the Africa polio eradication funding, but designates it as a non-emergency activity.
- HUD Community Development bloc grants -- The Senate (\$260 million) and the House (\$20 million) both added funds to assist States in recovering from natural disasters this year. Congress approved \$130 million in the final bill.

- DOE Strategic Petroleum Reserve -- The Senate included \$208 million to cancel the upcoming sale of oil from the Strategic Petroleum Reserve, a provision included in the enacted bill.

Defense Supplemental for Bosnia and Southwest Asia

The Administration's March 3 supplemental funding package included a request for FY1998 funds to cover two major Department of Defense expenses -- (1) \$486.9 million for costs of extending the U.S. peacekeeping mission in Bosnia from July 1, 1998 through the end of the fiscal year on September 30 and, (2) \$1,361.4 million for costs of expanded operations in Southwest Asia due to the confrontations with Iraq last fall and again this year. Costs of U.S. operations in Bosnia through June 30 and of ongoing operations in Southwest Asia were funded in the FY1998 Defense Appropriations bill. The extension of the Bosnia mission and the more rapid pace of operations in the Persian Gulf, however, have not been financed. The cost estimate for Southwest Asia remains somewhat uncertain. The request assumed that U.S. forces will be kept at the current level and operate at the current pace through the end of the fiscal year on September 30. If the crisis eases and some forces are withdrawn, however, actual costs would be lower. Conversely, if the crisis escalates, and, especially, if a conflict develops, costs could be significantly higher. Defense officials urged Congress to act quickly on supplemental funding for Bosnia and Southwest Asia, and warned that a delay beyond May 1 would require drastic cuts in training and the furlough of civilian personnel.

Perhaps the key issue in congressional action on the defense requests was whether to insist on offsets for the supplemental amounts. The Administration requested that the entire amount be provided as emergency appropriations, and the Defense Department did not identify offsetting rescissions. The "emergency" designation would increase caps on defense and total discretionary spending for FY1998, so that offsets would not be required to stay within budget limits. Since 1993, however, Congress has insisted on offsets -- in budget authority, if not in outlays -- for nearly all supplemental appropriations, so the Administration's request is a break from recent precedent.

Although not a formal part of the FY1998 supplemental request, on March 3, the Defense Department also submitted an amendment to its FY1999 defense budget request asking for \$1,858.6 million in additional funding for Bosnia in FY1999 as emergency appropriations. DOD did not provide room to absorb those costs within the FY1999 request that was submitted to Congress on February 2, 1998. That request, which amounts to \$270.6 billion for the national defense budget function, is right at the cap on FY1999 defense discretionary spending established by last year's Balanced Budget Act. The "emergency" designation would raise the FY1999 defense cap. This again breaks with recent precedent, in which anticipated costs of ongoing operations in Bosnia, Southwest Asia, Haiti and elsewhere have been financed as part of the regular appropriations bill within the totals established by the annual budget process.

Congressional action. In its markup of S. 1768, the Senate Appropriations Committee agreed, as requested, to provide all of the defense funding as emergency appropriations, and the Committee did not identify offsets. The Committee made

only minor changes in the requested amounts. It provided the full amount requested for operations in Bosnia and reduced funding for Southwest Asia by just \$65.9 million. Of that amount cut, \$50 million came from requested funds to cover transportation of allied forces and the remaining \$15.9 million to improve facilities in Bosnia. The Committee also approved a provision, Section 203, urging the President to seek allied contributions to offset costs of U.S. operations in the Persian Gulf and establishing an account in the Treasury to receive any contributions. Regarding the request for FY1999, the Senate Appropriations Committee did not act on this proposal -- Committee Chairman Stevens said that it will be considered in action on the regular FY1999 defense appropriations bill. In floor action, the Senate approved an amendment by Senator Levin to require consultation with the allies on "benchmarks" which, if achieved, would allow the withdrawal of troops from Bosnia. The Senate also added a separate measure, not related either to Bosnia or Iraq, to provide \$151 million for Theater Missile Defense programs, of which \$50 million would be for the Israeli Arrow program. This funding was intended to respond to new estimates of the future intermediate-range missile threat from Iran, and would be contingent on an Administration request for the funds. All of these provisions were included in the final Senate-passed version of H.R. 3579.

The House also approved (H.R. 3579) all requested funding for Bosnia and Southwest Asia, except for \$50 million in drawdown authority. The House Appropriations Committee believed that the \$50 million were not required by the current pace of operations. The House further provided additional amounts for classified purposes. As discussed elsewhere, defense funds were offset by cuts in non-defense accounts. The House bill also added \$37 million for the Reserve Mobilization Income Insurance Fund. This fund was established in 1996 to provide income insurance for reserve personnel involuntarily called into service. The fund was supposed to be financed by subscription fees from reservists, but the account was badly overdrawn from the start, and Congress terminated the program last year. The \$37 million was intended to pay benefits owed to personnel who had signed up for the program and were called to active duty.

On an issue related to DOD's expanded operations in Southwest Asia, the House approved in H.R. 3579 a provision proposed in Committee by Rep. Skaggs that would ban the use of funds appropriated in the bill for the conduct of offensive operations by U.S. forces against Iraq, unless such operations are specifically authorized by a law. This amendment was an effort by its supporters to ensure that Congress exercises its Constitutional authority to decide whether or not United States armed forces should be used in an offensive war against Iraq. Mr. Skaggs in a House floor statement on February 24, 1998, took issue with the Clinton Administration's position that it already had sufficient authority to use military force against Iraq based on the fact that Congress in 1991, through passage of a law, P.L. 102-1, had provided such authority. Mr. Skaggs' amendment was a vehicle for giving force to his position that Congress must first provide authority to the President to engage in offensive military action against Iraq before he can Constitutionally order such action. It is an effort to use Congress' power of the purse to ensure that Congress' role in the use of the war power is acknowledged by the President. Mr. Skaggs noted that his limitation would not apply to defensive responses to attacks against U.S. forces, nor affect the enforcement of no-fly zones over Iraq. The White House objected to this provision as an inappropriate infringement on the President's powers.

As enacted, H.R. 3579 provides nearly all defense funding requested by the President and incorporates most of the new provisions added by the House and Senate, with some key modifications. On the broad question of offsets, Congress designated all defense funds as emergency resources and did not require rescissions. Specifically, the final bill provides:

- \$478.9 million for Bosnia, a cut of \$7.9 million for what conferees declared as excessive infrastructure development costs.
- \$1.311 billion for Southwest Asia operations, as passed by the House.
- \$179 million for theater missile defense, including \$45 million for the Israeli Arrow program.
- \$47 million for the House-added Reserve Mobilization Income Insurance Program.
- \$28 million for demining activities in Bosnia, a Senate initiative.
- \$36.5 million for humanitarian assistance channeled through the Red Cross, as proposed by the Senate.
- \$272.5 million for the purchase of F/A-18 aircraft for the Marine Corps, as initiated by Senator Bond.

The enacted bill further includes Senate amendments urging the President to seek allied contributions for costs of maintaining forces in Southwest Asia and to set benchmarks for assessing the success of the Bosnia peacekeeping mission. Avoiding a potential veto threat, Congress modified the Skaggs amendment, making it a non-binding sense of Congress that the none of the funds in the Act may be used for an offensive strike against Iraq unless specifically authorized by Congress.

IMF New Arrangements to Borrow and Quota Increase

In late spring of 1997, beginning in Thailand, a major international financial crisis emerged in East Asia. It then spread to financial markets worldwide, including the U.S. stock market. Ultimately, the crisis will have a profound effect on the real economies of those countries at the center of this financial storm. Spillovers from the Asian crisis are certain also to affect U.S. economic growth, employment, and international trade, though the degree of impact is subject to varying estimates.⁷

The International Monetary Fund (IMF), as the international lender-of-last has extended new loans to Thailand, Indonesia, and South Korea. A pre-existing loan to the Philippines was also augmented.

⁷For background on the crisis, see CRS Report 97-1021, *The 1997-1998 Asian Financial Crisis*, updated March 6, 1998, by Dick K. Nanto, and CRS Report 98-74, *Asian Financial Crisis: An Analysis of U.S. Foreign Policy Interests and Options*, January 28, 1998, by Richard P. Cronin.

A number of major legislative issues revolve around the IMF and its role in the current crisis. The most prominent of these are two proposals for funding the IMF, including:

- a request for funding a proposed increase in the U.S. capital share in the IMF, that is, in the so-called U.S. "quota," and
- a request for funding U.S. participation in the "New Arrangements to Borrow" (NAB), a medium-term credit arrangement intended to provide supplemental resources to the IMF in the event of a financial crisis.

Initially, the Administration had planned to seek funding for the quota increase as part of the FY1999 Foreign Operations request. The onset of the Asian financial crisis, however, convinced Executive branch officials to accelerate the request and propose it as an FY1998 supplemental. For the NAB, the President requested funding over a year ago and the Senate approved it during the first session as part of the FY1998 Foreign Operations spending bill. In the midst of a controversy over international family planning and abortion restrictions, however, Congress stripped provisions related to the NAB from the Foreign Operations measure (P.L. 105-118). The President has resubmitted the NAB proposal as part of the current supplemental package.

The most important of the two funding requests is the request for an increase in the U.S. quota.⁸ It represents a permanent contribution to the IMF's capital base, whereas the NAB represents a supplemental line of credit that could only be activated in an emergency and that, indeed, might never be activated.

Quotas provide the IMF with the financial resources from which it extends loans to economically troubled countries. In addition to determining the size of the IMF's capital and members' contributions, quotas also determine a member country's voting power, its access to IMF loans, and its share in any allocation of Special Drawing Rights (SDRs).⁹ Quotas, therefore, are fundamental to the IMF's operation.

The U.S. quota would increase by 40%, from SDR 26.5 billion (currently about \$35.4 billion) to SDR 37.1 billion (\$49.6 billion), an increase of about \$14.2 billion. At the same time, the U.S. share of total IMF quotas would drop from 18.25% to 17.52%. The United States would, however, retain its veto on important IMF decisions, including any decision to increase quotas, allocate SDRs, or amend the IMF's Articles of Agreement. The United States would also continue to be the IMF's largest shareholder, a position that gives it considerable voice in the decisions and operations of the IMF.

⁸Additional information on the proposed quota increase may be found in, U.S. Library of Congress. Congressional Research Service. *The International Monetary Fund's (IMF) Proposed Quota Increase: Issues for Congress*, CRS Report 98-56 E, by Patricia A. Wertman.

⁹The Special Drawing Right (SDR) is an international reserve asset created by the IMF and used to denominate all IMF accounts.

Historically, requests for approval of an increase in the U.S. quota have always been the occasion for vigorous congressional oversight of the programs and policies of the IMF. The current financial crisis in Asia, with its spillover-effects on the U.S. economy and financial markets, has heightened the rigor of congressional oversight, particularly with regard to the IMF's conditionality, its emergency financing mechanisms, and its surveillance and data dissemination procedures. Additionally, while some are concerned about specific IMF policies or procedures, others are opposed to any further funding of the IMF or even to the continued participation of the United States in the IMF.

The request for approval of an increase in the U.S. quota contribution to the IMF is complicated by the additional request that Congress reconsider and approve U.S. participation in the "New Arrangements to Borrow" (NAB).¹⁰ The NAB are an arrangement of medium-term credit lines that the IMF may borrow against to supplement its resources in the event of an international financial crisis. They were proposed in the wake of the late 1994 Mexican peso crisis. Commitments to the NAB from 25 participants amount to SDR 34 billion, currently about \$45 billion. The U.S. share in the NAB would total SDR 6,712 (\$9 billion), including SDR 4,250 million (\$5.7 billion) that was authorized and appropriated prior to 1983 for U.S. participation in the "General Arrangements to Borrow" (GAB).¹¹ Because of this earlier funding, only the SDR 2,462 million (currently \$3.3 billion) increment need be approved for the United States to fulfill its NAB commitment.

Congress has veto power over both the proposed quota increase and the NAB. In order for the quota increase to become effective, IMF member countries accounting for not less than 85% of total quotas must consent to the increase. The United States, with 17.78% of the Fund's total votes, thus, can block the quota increase from going forward. Similarly, in order for the NAB to enter into force, the five participants having the largest commitments must approve. The United States has made the largest commitment to the NAB, accounting for 19.7% of the total.

Under the Bretton Woods Agreements Act (P.L. 79-171, 22 U.S.C. 286), both the increase in the U.S. quota in the IMF and U.S. participation in the NAB must be authorized by the U.S. Congress. In addition, current U.S. budgetary treatment requires that both be appropriated.¹² Both, however, are considered to be an exchange of monetary assets. They, therefore, are considered as having no impact on the net budgetary position of the United States; that is they do not result in a net budgetary outlay and, under the Balanced Budget Act of 1997, do not require an offset.

¹⁰For more details on the NAB, see U.S. Library of Congress. Congressional Research Service. *The International Monetary Fund's "New Arrangements to Borrow" (NAB)*, CRS Issue Brief 97038, by Patricia A. Wertman. Updated regularly.

¹¹Additional information on the GAB may be found in, U.S. Library of Congress. Congressional Research Service. *The IMF's General Arrangements to Borrow (GAB): A Background Paper*, CRS Report 97-467, by Patricia A. Wertman.

¹² More details on U.S. budgetary treatment of the IMF may be found in, U.S. Library of Congress. Congressional Research Service. *U.S. Budgetary Treatment of the International Monetary Fund*. CRS Report 96-279 E, by Patricia A. Wertman.

Congressional action. House-Senate conferees meeting on H.R. 3579 agreed not to include IMF funding, as proposed by the Senate, but to wait until the House takes up H.R. 3580, a second supplemental spending measure, or other legislation (possibly FY1999 appropriation bills). Senate Appropriations Committee Chairman Stevens says that he has a House commitment to take up the IMF issue soon, but considerable opposition exists to the proposal making the outcome of a House vote highly uncertain. Moreover, some House Members say that they will attach contentious abortion restrictions related to U.S. overseas family planning programs to any measure funding the IMF unless the President is willing to compromise on the abortion matter.

Prior to the conference meetings, on March 26, 1998, the Senate agreed by a vote of 84-16 to an amendment modifying IMF appropriation language reported the previous week by the Appropriations Committee. Conditions and restrictions included in the Committee-reported bill had been opposed by the Administration as inflexible and largely unworkable. As incorporated into H.R. 3579 that passed the Senate on March 31, the amendment, proposed by Senators McConnell, Hagel, Gramm, and Stevens, provided funding for both the \$3.4 billion for the NAB and the \$14.5 billion for the proposed increase in the U.S. quota. Funds for the NAB would be available immediately. Funds for the quota increase, on the other hand, would be conditional; they may not be transferred to the IMF until 30 days after the Secretary of the Treasury certifies that the major shareholders, including the G-7 countries (the U.S., Japan, Germany, France, Italy, the United Kingdom, and Canada), have publicly agreed to and will seek to require borrowers from the IMF to:

- liberalize restrictions on trade in good and services and on investment, at a minimum consistent with the terms of all international obligations and agreements; and
- eliminate the practice or policy of government-directed lending or provision of market distorting subsidies to favored industries, enterprises, parties, or institutions.

Conditional approval of funding for the IMF would be unprecedented. The Secretary of the Treasury would report annually on the implementation and enforcement of these provisions. In addition, the United States would exert its influence in the Fund to see that borrowing countries take action to remove discriminatory treatment between foreign and domestic creditors in debt resolution proceedings.

The bill also contained industry specific provisions that require the Secretary of the Treasury to certify that no IMF resources have supported the semiconductor, steel, automobile, textile and apparel industries. The insertion of this section grew out of initiatives led by Micron Industries, the last U.S. producer of microchips.¹³ The addition of an amendment by Senator Hollings would establish a team within the U.S. Commerce Department to collect data and monitor the impact of the Asian crisis on imports and prices in these industries.

¹³ Rogers, David. IMF Funds Conditionally Voted by Senate Panel. *Wall Street Journal*, March 18, 1998, p. A2.

The Senate also passed an amendment introduced by Senator Gorton. It provided that the Secretary of the Treasury was to instruct the U.S. Executive Director to use the voice and vote of the United States to prevent IMF resources from being used for the direct benefit of President Suharto of Indonesia or his family and to oppose any disbursements to Indonesia that would be on less stringent terms than those imposed on Korea and the Philippines.

H.R. 3579, as passed by the Senate, also provided for timely public access to information and documents relating to the funds operations and programs and for access by the General Accounting Office (GAO) for the purpose of financial and program audits. The bill also added a variety new reporting requirements, including information on 1) the rules and regulations of IMF borrowing countries' with regard to capitalization ratios, reserves, deposit insurance, and transparency of their financial institutions; 2) burden-sharing by private sector investors and creditors, including commercial banks in the G-7 countries; 3) the Fund's repayment schedules; and 4) the status of efforts to meet the Basle Committee's Core Principles for Effective Banking Supervision. It is worth noting, perhaps, that, while the U.S. Treasury has generally complied with past reporting requirements, sometimes this has been more pro forma than substantive, particularly when the department has been faced with a list of reporting requirements that might be viewed as administratively burdensome.

The House bill for the IMF (H.R. 3580), which is still awaiting floor debate, is tougher than the Senate. Like the Senate bill, the House Appropriations Committee provides for unconditional appropriation of funding for the NAB. Funds for the quota increase, however cannot be obligated or made available until 15 days after the Secretary of the Treasury provides written notification that IMF loans above \$500 million include provisions committing the borrowing country to:

- comply with the terms of international trade agreements of which the borrower is a signatory;
- eliminate the practice or policy of government-directed lending by private or public financial institutions; and
- guarantee nondiscriminatory treatment in debt resolution proceedings between domestic and foreign creditors, and for debtors and other concerned persons.

In addition, the quota increase cannot take effect until the Secretary of the Treasury certifies that private investors and bankers have made a significant contribution in conjunction with a financing package that, in the context of an international financial crisis, might include taxpayer supported official financing. Finally, U.S. funds cannot be provided to the IMF unless the Secretary of the Treasury certifies, beginning six months after enactment, that Executive Board minutes and staff reviews of ongoing loan programs have been released. Like the original Senate-reported conditions, Treasury Secretary Rubin asserts that some of these requirements are unworkable.

The bill further provides for notification of five days prior to disbursement of funds from the Exchange Stabilization Fund (ESF) and for the establishment of an International Financial Institution Advisory Commission, which also appears in the

Senate legislation but differs slightly. Sec. 405-415 of the House Committee bill constitutes the "International Monetary Reform and Authorization Act." It would establish an ongoing Advisory Commission on IMF Policy to review loan programs. It also instructs the U.S. Executive Director to use the voice and vote of the of the United States to promote a variety of policy goals. These include promoting: more effective IMF surveillance and fuller disclosure; sound banking practices and good governance; the structuring of IMF assistance to ensure that public funds are not channeled toward unproductive purposes, including "show case" projects and excessive military spending; internationally recognized worker rights; a more open IMF policy of document release; IMF self-evaluation, including the possible establishment of an operations evaluation department; and coordination with the World Bank in advancing credit to small business, including microenterprise. It provides for reports on reforming the architecture of the international financial system; annual testimony by the Secretary of the Treasury on the IMF and on the state of the international financial system; and audit of the IMF by the General Accounting Office (GAO).

Advance Appropriation for International Organization Arrears

The Clinton Administration proposes paying \$1.021 billion in accumulated arrearages to international organizations over the next three fiscal years. Most of the funds — \$921 million — are sought in a proposed advance appropriation¹⁴ to be included in a FY1998 supplemental that would only be disbursed in FY1999 and FY2000. The Administration is requesting as part of a supplemental package, \$921 million (\$475 million for FY1999 and \$446 million for FY2000 disbursement) to pay U.S. outstanding dues owed to international organizations and for U.N. peacekeeping operations.

Congress appropriated \$100 million (\$54 million for U.N. regular budget arrears and \$46 million for U.N. peacekeeping arrears) last year (P.L. 105-119), but those funds may not be paid until specific authorizing legislation is enacted which makes payment contingent on specific U.N. reforms. In 1997, Congress and the Administration had negotiated such authorizing language, including provisions (popularly known as the Helms-Biden agreement) which would have allowed the United States to pay \$926 million in arrears payments over three years to international organizations and U.N. peacekeeping operations. The arrearage payments were made contingent, however, on the implementation of specified international organization reforms ("benchmarks"), including a reduction in U.S. assessment rates for the United Nations, some U.N. system organizations, and for U.N. peacekeeping operations.¹⁵ That legislation (H.R. 1757) was not enacted

¹⁴In an advance appropriation, budget authority is provided in an appropriation act to become available in a fiscal year beyond the fiscal year in which the appropriation act is enacted. The amount is included in the budget totals for the fiscal year in which the amount will become available. See Glossary of Budgetary Terms in CRS Report 91-902, *Manual on the Federal Budget Process*, by Schick, Allen, et. al.

¹⁵For additional discussion see CRS Issue Brief 86116, *U.N. System Funding: Congressional Issues*; CRS Issue Brief 90103, *United Nations Peacekeeping Issues for Congress*; and CRS (continued...)

because of disagreement over unrelated House language restricting activities of foreign family planning organizations. Following further negotiations in early 1998, House and Senate conferees agreed on March 10 to a conference report on H.R. 1757, and the House approved H.R. 1757 on March 27. This omnibus foreign policy measure provides \$926 million, including the \$100 million already appropriated, for international organization arrearage payments, subject to a series of conditions and reforms that must be met by the U.N. system. Nevertheless, because of family planning and abortion restrictions that remain in H.R. 1757, the President is expected to veto the bill. (For more on H.R. 1757, see below under "Related Legislation.")

Subsequent to U.S. government inaction on arrearage payments, the U.N. General Assembly in December 1997 established a new three-year (1998-2000) scale of assessments which did not lower the U.S. assessment rate from its present ceiling of 25% of the regular U.N. budget. A reduction in the U.S. rate had been sought by the Administration and was central to the Helms-Biden agreement. In a December 23, 1997 statement, Deputy Spokesman for the U.S. Department of State James Foley, noted that allowance was made by the U.N. General Assembly for "the ceiling negotiations to be reopened depending upon congressional action to address our arrears and commitment to regularly pay the U.N." He called on Congress "to act early next year to provide the necessary legislation and funding for the U.S. to pay its obligations to the U.N. and other international organizations. Without such action, we will not be able to re-open negotiations to reduce our rate of assessment. Each year we are unable to reduce our share, the cost to the U.S. taxpayer is at least \$60 million."

A central focus of the Helms-Biden agreement (in exchange for payment of most of the arrears) has been a reduction in the U.S. share of the U.N. regular budget assessment to 22% (with U.N. peacekeeping assessments to 25% from current 31%) by FY1999 and U.N. regular budget and some other U.N. system organizations to 20% by FY2000. While Administration officials are pressing for enactment of an arrears package in order to get an assessment reduction, the U.N. General Assembly has only agreed to consider revisiting the assessment scale (in light of U.S. funding actions). U.N. members have not agreed to any reduction in the U.S. rate.

The United States is assessed 25% of the U.N. regular budget. Because there is a 25% ceiling on assessments, the U.S. contribution is below the figure reflecting the ratio of its wealth to world GNP. If there were no ceiling, the U.S. assessment would be more than 26%. The difference is made up by other major donors paying more. In order for the U.S. rate to go down, other countries rates would have to go up. While some reduction in the ceiling, perhaps to 22%, might be agreed to by the U.N. membership (provided there is positive U.S. government funding action), a reduction to 20% seems unlikely. Japan's rate under the current assessment scale is to go up to 20.573% in the year 2000. If a ceiling of 20% were adopted, the other

¹⁵(...continued)

Report 97-711, *U.N. Funding, Payment of Arrears and Linkage to Reform: Legislation in the 105th Congress*.

major donors (mainly European Union countries) would have to make up not only the drop in the U.S. rate, but also that for Japan.

The Administration's three-year arrears package calls for payment of \$1.021 billion, although the total U.S. arrears are closer to \$1.5 billion. The approximately \$428 million discrepancy consists of several items: about \$162 million for the U.N. regular budget (legislative and policy withholdings including about \$100 million in dispute over tax reimbursements for U.S. citizens working for the United Nations); about \$256 million in U.N. peacekeeping withholdings because of policy and legislative limits on U.S. contributions,¹⁶ about \$5 million in legislative and policy withholdings for U.N. affiliated organizations; and about \$5 million for other international (non U.N.) organizations.

Congressional action. Congress did not address the U.N. arrears supplemental in H.R. 3579, but may consider it later when the House takes up H.R. 3580, a second supplemental spending bill for FY1998. In reporting S. 1769, the original Senate version of H.R. 3579, Chairman Stevens noted that Congress had not yet enacted legislation authorizing these and previously appropriated arrearage funds, and that he expected to take up \$921 million recommendation during consideration of the FY1999 State Department appropriations bill. He observed, however, that the House could attach the arrears package, making it an issue for conference.

The House Appropriations Committee approved (H.R. 3580) \$505 million in advance appropriations (\$475 million for FY1999 and \$30 million for FY2000) for U.N. peacekeeping arrearages. The House Committee makes expenditure of funds subject to enactment of authorization legislation including required reform conditions and prohibits payment of arrearage funds until the U.S. assessment for the U.N. regular budget is reduced to 22% and for peacekeeping to 25%. The Committee explains that the \$505 million it recommends, together with the \$100 million provided in the regular FY1998 appropriation (P.L. 105-119), and another \$107 million authorized in the State Department authorization legislation (H.R. 1757) to be credited to U.S. arrearages to the United Nations, totals \$712 million. This, the Committee says is the amount the Administration sought for payment of U.N. regular budget and peacekeeping arrears. The remaining \$309 million is requested for payment of arrears to other international organizations and, in the House Committee's view, need not be dealt with in an advance appropriation, but can be considered following the normal order.

¹⁶The scale of assessments for U.N. peacekeeping accounts is based on a modification of the scale for U.N. regular budget contributions, with the five permanent members of the U.N. Security Council assessed at a higher rate than for the regular budget. Since 1992, U.S. policy has been to seek a U.N. General Assembly decision to reduce U.S. peacekeeping assessments to the regular budget assessment of 25%, meaning other countries' assessments would have to increase. Instead, because of regular budget assessment changes for Russia after the breakup of the Soviet Union, the U.S. peacekeeping assessment (with that of China, France, and the United Kingdom) rose. The Administration, however, has recognized only 30.4% and by legislative requirement, since October 1, 1995, U.S. peacekeeping contributions have been limited to 25%.

Related Issues and Legislation

As noted above, it is common for Congress to attach unrelated, and at times controversial legislative issues to pending supplemental spending measures. It is widely anticipated that some House Members will attempt to link IMF and U.N. arrearage payments with anti-abortion international family planning policy, as was done in late 1997. Other pending legislation, especially authorizing bills for the IMF and U.N. arrears, may also affect the outcome of the supplemental spending debate.

International Family Planning Policy and Anti-Abortion Restrictions

For over a decade, Congress has engaged in contentious debates over U.S. international population assistance policy, an issue that has stalled enactment of the Foreign Operations appropriations bills each of the past three years. In order to free-up passage of the FY1998 Foreign Operations measure, the House agreed to drop its restrictive family planning provisions, but insisted that appropriations for the IMF/NAB and U.N. arrearage payments also be removed from pending spending bills and linked with the family planning matter. When House leaders were unable to reach agreement on family planning language with the White House and the Senate in mid-November, Congress recessed without concluding debate on the IMF or U.N. arrears issues.

Representative Chris Smith, the main sponsor of anti-abortion family planning restrictions, has stated consistently since late 1997 that, with the support of the House leadership, he will continue to link the three issues in whatever legislative venue they are packaged. While it is not certain that the family planning issue will be attached to supplemental appropriations legislation, it is widely expected to be linked in some manner to consideration of IMF and U.N. arrears funding. If not added as an amendment to a supplemental spending measure, the family planning controversy could be debated as a separate, but parallel bill

The main dispute in the family planning debate centers on abortion restrictions and the eligibility requirements for foreign organizations receiving funds to implement U.S.-sponsored population assistance programs. For many years, U.S. law has prohibited the use of any U.S. government funds for the performance of abortions by recipient organizations implementing American foreign aid programs. The prohibition, however, did not apply to activities conducted by these organizations with privately raised funds. During the mid-1980s, in what has become known as the "Mexico City" policy, the Reagan, and later the Bush Administrations, restricted funds for any foreign organization that was involved in any way in voluntary abortion activities, even if such activities were undertaken with non-U.S. government funds. Several groups, including International Planned Parenthood Federation-London (IPPF), became ineligible for U.S. financial support. President Clinton in 1993 reversed the position of his two predecessors, allowing the United States to resume funding for all family planning organizations so long as U.S. money was not used in abortion-related work.

During the past three years, the House and Senate have taken opposing positions on the Mexico City issue. The House position supports reinstatement of the Mexico City policy restricting U.S. aid funds to foreign organizations involved in abortion-related activities or to those that lobby to change anti-abortion laws in the countries within which they work. The Senate, on the other side, has always deleted the House provisions dealing with Mexico City policy, leaving decisions in the hands of the Administration. Moreover, Administration officials have stated that President Clinton would veto any bill if it included the House-passed Mexico City restrictions. Supporters of the Mexico City policy argue that funds received by foreign organizations implementing family planning programs are fungible, and that while technically, no U.S.-funds are used to perform abortions or lobby to alter abortion laws, American grants to such organizations can release other resources for these purposes. Administration and other supporters of current policy contend that existing laws ensures that U.S. foreign aid funds do not pay for overseas abortions or lobbying activities. They believe that undue restrictions placed on international family planning programs will undermine the principal of a policy based on informed choice and will affect the quality and quantity of services provided through U.S. grants. Disruptions to U.S. programs, such as funding delays and reductions experienced in the past three years, they contend, diminishes access by couples in developing countries to a wide-range of family planning methods, that in some cases may contribute to increasing the number of abortions performed.

Congress unsuccessfully considered several options in 1997 to resolve this dispute. The final proposal offered by the House leadership in mid-November dropped the restrictions on abortions, maintaining only those associated with foreign organizations working to relax abortion laws and government policies overseas. In exchange, House leaders promised to allow IMF and U.N. arrears consideration to move forward. The White House reportedly rejected the offer, and has remained strongly opposed to linking what it terms as important U.S. foreign policy interests with un-related domestic abortion politics.

After being deadlocked for nearly six months over the family planning issue, House and Senate conferees approved a conference report on March 10 for H.R. 1757 (Foreign Affairs Reform and Restructuring Act). Family planning restrictions included in the conference version of H.R. 1757 are similar to those offered by House leadership in November 1997, but rejected by the White House: that is, no funds to foreign organizations that use their own money to perform abortions or lobby to change abortion laws, but allows the President to waive the abortion prohibition, an action that would reduce population aid from \$385 million to \$356 million. The House passed the conference report on H.R. 1757 on March 27, followed by the Senate (51-49) on April 28. Although the bill has not reached the White House, aides say the President will veto H.R. 1757.

Foreign Policy Authorization Conference Agreement and U.N. Arrears

When Congress recessed in November, House and Senate conferees had reached a tentative agreement on an omnibus foreign policy authorizing bill (H.R. 1757) that, among other things provided for \$819 million in U.N. arrearage payments

under certain conditions. The legislation stalled when conferees could not reach agreement on international family planning restrictions that had been attached by the House. Subsequently, Congress enacted the Departments of Commerce, Justice, and State Department Appropriations, 1998, (P.L. 105-119), legislation that provides \$100 million this year for U.N. arrears payments, as requested by the Administration. The payment, however is subject to congressional enactment of authorizing legislation that was deadlocked in conference.

On March 10, House/Senate conferees broke the deadlock, reaching agreement on H.R. 1757 that authorizes a total of \$819 million for arrearage payments: \$100 million for FY1998, \$475 million for FY1999, and \$244 million in FY2000. Although it falls short of the \$921 million advance FY1999/2000 appropriation request, the authorization would release the \$100 million approved in P.L. 105-119. Moreover, H.R. 1757 authorizes the use of \$107 million the U.N. owes the United States for reimbursable peacekeeping expenses as an additional arrearage reduction. Therefore, the total authorized in H.R. 1757 for international organization arrearage payments falls \$95 million below the \$921 million advance appropriation request. While it would authorize the full amount proposed for FY1999, the shortfall would occur in FY2000. The House passed on March 27 the conference report on H.R. 1757, followed by the Senate (51-49) on April 28. Nevertheless, most observers expect the White House to reject the family planning restrictions contained in the bill, leaving the U.N. arrears payments unauthorized.

IMF Authorization

As noted above, congressional procedures call for the enactment of both authorization and appropriations for U.S. participation in IMF quota increases or new facilities. Congress, however, has found it difficult for over a decade to enact separate authorizations for IMF and multilateral development bank replenishments. Authorizations have routinely been included in appropriation measures or incorporated into other broad foreign policy authorization acts.

Following this pattern, Congress has moved on legislation appropriating IMF funds without previously debating authorizing bills. Nevertheless, House and Senate supplemental spending measures (H.R. 3579 and H.R. 3580) incorporated many elements included in authorization bills reported or introduced by House Banking (H.R. 3114) and Senate Foreign Relations (S. 1795) Committees.

Table 3. Natural Disaster Emergency Supplementals

(budget authority in millions of dollars)

Agency/Program	Request	House H.R. 3579	Senate H.R. 3579	Enacted
Department of Agriculture				
Emergency Conservation Program (contingent)	\$20.0	\$20.0	\$64.5	\$34.0
Dairy & Livestock Disaster Asst Program	\$4.0	\$0.0	\$0.0	\$0.0
Dairy Disaster Asst Program (contingent)	\$0.0	\$6.8	\$10.0	\$6.8
Livestock Disaster Asst Program (contingent)	\$0.0	\$4.0	\$4.0	\$4.0
Agricultural Credit Insurance Fund (subsidy)	\$6.0	\$0.0	\$0.0	\$0.0
Ag. Credit Insurance Fund (subsidy) (contingent)	\$15.0	\$21.0	\$29.6	\$21.0
<i>of which, Farm Operating Loans</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$8.6</i>	<i>\$0.0</i>
Tree Assistance Program (contingent)	\$0.0	\$4.7	\$8.7	\$14.0
Watershed & Flood Prevention	\$5.0	\$0.0	\$0.0	\$0.0
Watershed & Flood Prevention (contingent)	\$35.0	\$65.0	\$100.0	\$80.0
National Forest System	\$5.0	\$5.0	\$0.0	\$5.0
National Forest System (contingent)	\$5.0	\$5.5	\$10.0	\$5.5
State & Private Forestry	\$20.0	\$20.0	\$0.0	\$20.0
State & Private Forestry (contingent)	\$28.0	\$28.0	\$48.0	\$28.0
Wildland & Fire Management (contingent)	\$0.0	\$0.0	\$2.0	\$2.0
Department of the Interior				
Fish & Wildlife, Construction (Guam)	\$3.7	\$3.9	\$0.0	\$3.7
Fish & Wildlife, Construction (contingent)	\$25.0	\$25.0	\$32.8	\$29.1
U.S. Geological Survey (contingent)	\$1.0	\$1.0	\$1.2	\$1.2
Bur of Reclamation-Water Resources (contingent)	\$2.3	\$4.5	\$0.0	\$4.5
National Park Service (contingent)	\$8.5	\$8.5	\$9.5	\$9.5
Bureau of Land Management (contingent)	\$0.0	\$0.0	\$1.8	\$1.8
Bur. of Indian Affairs, construction (contingent)	\$0.0	\$0.0	\$1.1	\$1.1
Corps of Engineers				
O & M, General (contingent)	\$25.0	\$84.5	\$25.0	\$105.2
O & M, General (contingent) (by transfer)	[\$5.0]	[\$0.0]	[\$5.0]	[\$0.0]
Construction, General (contingent)	\$0.0	\$0.0	\$38.5	\$0.0
Department of Transportation				
Federal-aid Highways	\$224.0	\$224.0	\$0.0	\$224.0
Federal-aid Highways (contingent)	\$35.0	\$35.0	\$259.0	\$35.0
Railroad Repair (contingent)	\$0.0	\$9.0	\$10.6	\$9.8
Health & Human Services				
Disease Control, Research/Training (contingent)	\$0.0	\$0.0	\$9.0	\$0.0
Housing & Urban Development				
Community Develop. Bloc Grants (contingent)	\$0.0	\$20.0	\$260.0	\$130.0

Agency/Program	Request	House H.R. 3579	Senate H.R. 3579	Enacted
Department of Energy				
Strategic Petroleum Reserve (contingent)	\$0.0	\$0.0	\$207.5	\$0.0
Prohibition of Strategic Petroleum Reserve sale	\$0.0	\$0.0	\$208.0	\$208.0
Fed. Emergency Mgmt Agency (contingent)	\$1,632.2	\$0.0	\$1,600.0	\$1,600.0
Department of Defense				
Operation & Maintenance, Army (Ft Drum)	\$1.9	\$1.9	\$1.9	\$1.9
O & M, Army (contingent)	\$0.0	\$0.7	\$0.0	\$0.0
O & M, Navy (Guam)	\$48.1	\$48.1	\$33.3	\$48.1
O & M, Navy (contingent)	\$0.0	\$5.7	\$0.0	\$0.0
O & M, Marine Corps (contingent)	\$0.0	\$26.8	\$0.0	\$0.0
O & M, Air Force (Guam)	\$27.4	\$27.4	\$21.5	\$27.4
O & M, Air Force (contingent)	\$0.0	\$21.8	\$0.0	\$0.0
O & M, Defense-wide (Guam)	\$1.4	\$1.4	\$1.4	\$1.4
O & M Defense-wide (Calif) (contingent)	\$50.0	\$0.0	\$44.0	\$125.5
O & M, Army Reserve (Guam)	\$0.7	\$0.7	\$0.7	\$0.7
O & M, Air Force Reserve (Guam)	\$0.2	\$0.2	\$0.2	\$0.2
O & M, Army National Guard (NY State)	\$0.2	\$0.2	\$0.2	\$0.2
O & M, Army National Guard (contingent)	\$0.0	\$5.8	\$0.0	\$0.0
O & M, Air National Guard (contingent)	\$0.0	\$1.0	\$0.0	\$0.0
O & M, Defense Health Program (Guam)	\$1.9	\$1.9	\$1.9	\$1.9
O & M, Defense Health Program (by transfer)	[\$0.0]	[\$5.0]	[\$0.0]	[\$4.7]
Military Construction, Navy (contingent)	\$0.0	\$0.0	\$17.4	\$0.0
Military Construction, Air Force (contingent)	\$0.0	\$0.0	\$5.9	\$0.0
Military Construction, Army Natl Guard (cont)	\$0.0	\$0.0	\$0.0	\$3.7
Family Housing, Navy (Guam)	\$15.6	\$15.6	\$18.1*	\$15.6
Family Housing, Navy (CA) (contingent)	\$0.0	\$1.0	\$0.0	\$2.5
Family Housing, Air Force (Guam)	\$1.5	\$1.5	\$2.4*	\$1.5
Family Housing, Air Force (CA) (contingent)	\$0.0	\$0.9	\$0.0	\$0.9
Navy Working Capital Fund (Guam)	\$23.0	\$23.0	\$23.0	\$23.0
Navy Working Capital Fund (contingent)	\$0.0	\$7.5	\$0.0	\$0.0
Defense-wide Working Cap Fund (Guam)	\$1.0	\$1.0	\$1.0	\$1.0
O & M, Defense-wide (by transfer)	\$0.0	\$0.0	[\$40.0]	[\$40.3]
Base Realignment & Closure Acct (contingent)	\$0.0	\$1.0	\$0.0	\$1.0
TOTAL, Natural Disaster Supplementals	\$2,272.7	\$789.5	\$3,113.4	\$2,839.7
<i>of which, contingent funds</i>	<i>\$1,878.1</i>	<i>\$411.7</i>	<i>\$3,028.1</i>	<i>\$2,464.1</i>

* Contingent funds in Senate-passed H.R. 3579.

Table 4. Defense & Iraqi Opposition Emergency Supplementals
(budget authority in millions of dollars)

	Request	House H.R. 3579	Senate H.R. 3579	Enacted
DOD--Bosnia:				
O & M, Overseas Contingency Operations Transfer Fund	\$383.1	\$383.1	\$383.1	\$375.2
Military Personnel, Army	\$111.5	\$111.5	\$111.5	\$111.5
Military Personnel, Navy	\$2.4	\$2.4	\$2.4	\$2.3
Military Personnel, Marine Corps	\$1.4	\$1.4	\$1.4	\$1.4
Military Personnel, Air Force	(\$13.6)*	(\$13.6)*	(\$13.6)*	(\$13.6)*
Reserve Personnel, Navy	\$2.1	\$2.1	\$2.1	\$2.1
TOTAL, Bosnia	\$486.9	\$486.9	\$486.9	\$478.9
DOD--Southwest Asia/Iraq:				
O & M, Overseas Contingency Operations Transfer Fund	\$1,238.8	\$1,188.8	\$1,172.9	\$1,188.8
Military Personnel, Army	\$72.5	\$72.5	\$72.5	\$72.5
Military Personnel, Navy	\$19.9	\$19.9	\$19.9	\$19.9
Military Personnel, Marine Corps	\$3.7	\$3.7	\$3.7	\$3.7
Military Personnel, Air Force	\$24.5	\$24.5	\$24.5	\$24.5
Reserve Personnel, Navy	\$2.0	\$2.0	\$2.0	\$2.0
TOTAL, Southwest Asia/Iraq	\$1,361.4	\$1,311.4	\$1,295.5	\$1,311.4
DOD--Other:				
Theater Missile Defense	\$0.0	\$0.0	\$151.0	\$179.0
Reserve Mobilization Income Insurance Program (contingent)	\$0.0	\$37.0	\$0.0	\$47.0
Overseas Humanitarian, Disasters & Civic Aid-Red Cross (contingent)	\$0.0	\$0.0	\$36.5	\$36.5
Aircraft procurement, Navy	\$0.0	\$0.0	\$272.5	\$272.5
Demining activities in Bosnia	\$0.0	\$0.0	\$35.0	\$28.0
Other--Unspecified	\$0.0	\$258.0	\$0.0	\$250.1
Total, Defense	\$1,861.9	\$2,093.3	\$2,276.9	\$2,603.4
Iraqi Opposition:				
Economic Support Fund (AID) (contingent)	\$0.0	\$0.0	\$5.0	[\$5.0]
Radio Free Iraq (USIA) (contingent)	\$0.0	\$0.0	\$5.0	\$5.0

* Negative amount reflects adjustments to funds provided in the FY1998 Defense Appropriations Act.

Table 5. Non-Emergency Supplementals

(budget authority in millions of dollars)

	Request	House H.R. 3580	Senate H.R. 3579	Enacted H.R. 3579
Food & Drug Admin. (from fee collections)	[\$26.0]	[\$15.6]	[\$25.9]	[\$25.9]
USDA civil rights & non-civil rights activities	\$4.8	\$4.3	\$2.0	\$2.0
USDA General Counsel civil rights activities	\$0.2	\$0.2	\$0.2	\$0.2
USDA, Farm Service Agency Loans (subsidy)	\$6.7	\$10.3	\$6.9	\$11.6
USDA, Karnal bunt in wheat	\$0.0	\$5.0	\$0.0	\$0.5
DOE Defense Environmental Restoration & Waste Management [by transfer]	[\$12.0]	[\$0.0]	[\$0.0]	[\$0.0]
DOE Weapons Activities [by transfer]	[\$0.0]	[\$0.0]	[\$4.0]	[\$0.0]
DOE Cost of Work program [from receipts]	[\$5.4]	[\$5.4]	[\$5.4]	[\$5.4]
Interior, Royalty & Offshore Minerals Management [from receipts]	\$6.7	\$6.7	\$6.7	\$6.7
Interior, Abandoned Mine Rec. Fund [by transfer]	[\$3.2]	[\$3.2]	[\$3.2]	[\$3.2]
Interior, Operation of the National Park System	\$0.0	\$0.0	\$0.0	\$0.3
Interior, Indian Programs	\$1.1	\$1.1	\$1.1	\$1.1
Interior, Indian trust fund accounts	\$4.7	\$4.7	\$4.7	\$4.7
USDA, National Forest System	\$0.0	\$0.0	\$2.0	\$0.0
HHS, Indian Health Services	\$0.0	\$0.0	\$0.1	\$0.1
HHS, Disease Control, Research, & Training	\$0.0	\$0.0	\$0.0	\$9.0
HHS, Health Care Financing Administration	\$16.0	\$16.0	\$0.0	\$2.2
Transportation, Planning, R & D	\$0.0	\$0.0	\$6.9	\$0.0
Transportation, Amtrak Reform Council	\$0.0	\$2.5	\$0.0	\$2.5
Transportation, FAA (Airport & Airways Trust Fund), "Year 2000" computer problems	\$0.0	\$0.0	\$156.0	\$25.0
Transportation, Emergency Transportation	\$0.0	\$0.0	\$0.0	\$1.0
Treasury Dept. "Year 2000" conversion problems	[\$250.0]	\$33.4	\$44.7	\$40.8
Treasury Dept., Building Repair	\$0.0	\$17.0	\$0.0	\$0.0
Customs Service, hanger construction	\$0.0	\$0.0	\$5.5	\$0.0
NASA Human Space Flight [by transfer]	[\$173.0]	[\$173.0]	\$0.0	[\$3.0]
Natl Transportation Safety Bd-TWA Flight 800	\$5.4	\$5.4	\$5.4	\$5.4
Emergency Trade Deficit Review Commission	\$0.0	\$0.0	\$2.0	\$0.0
Architect of the Capitol, Capitol Buildings	\$0.0	\$7.5	\$7.5	\$7.5
Architect of the Capitol, Capitol Grounds	\$0.0	\$20.0	\$20.0	\$20.0
Capital Police Board (by transfer)	\$0.0	[\$4.0]	[\$4.0]	[\$4.0]
TOTAL, Non-Emergency Supplementals	\$45.6	\$134.0	\$271.7	\$142.0
Mandatory Appropriations:				
Veterans Compensation & Pensions	\$550.0	\$550.0	\$550.0	\$550.0
House of Rep., Gratuities, Deceased Members	\$0.0	\$0.3	\$0.0	\$0.3

Table 6. Rescissions -- For Emergency and Non-Emergency Funds

(budget authority millions of dollars)

Agency/Program	Request	House H.R. 3580	Senate H.R. 3579	Enacted H.R. 3579
RESCISSIONS/OFFSETS FOR NON-EMERGENCY SUPPLEMENTALS				
Department of Agriculture:				
Agricultural Research Service	\$0.223	\$0.223	\$0.000	\$0.223
Animal & Plant Health Inspection Service	\$0.350	\$0.350	\$0.000	\$0.350
Food & Safety Inspection Service	\$0.502	\$0.502	\$0.502	\$0.502
Grain Inspection, Packers & Stockyards Admin	\$0.038	\$0.038	\$0.000	\$0.038
Agricultural Marketing Service	\$0.025	\$0.025	\$0.000	\$0.025
Farm Service Agency salaries & expenses	\$1.080	\$1.080	\$0.000	\$1.080
Agricultural Credit Insurance Fund Program	\$6.737	\$6.737	\$6.736	\$8.273
Natural Resources Conservation Service (NCRS)	\$0.378	\$0.378	\$0.000	\$0.378
NCRS, Farm Option Program (offset)	\$0.000	\$4.000	\$0.000	\$4.000
Rural Housing Service	\$0.846	\$0.846	\$0.846	\$0.846
Child Nutrition Programs	\$0.114	\$0.000	\$0.000	\$0.000
Food Program Administration	\$0.000	\$0.114	\$0.000	\$0.114
National Forest System	\$1.094	\$1.094	\$0.000	\$1.094
Forest & Rangeland Research	\$0.148	\$0.148	\$0.000	\$0.148
State & Private Forestry	\$0.059	\$0.059	\$0.000	\$0.059
Wildland Fire Management	\$0.148	\$0.148	\$0.000	\$0.148
Reconstruction and construction	\$0.030	\$0.030	\$0.000	\$0.030
Department of the Interior:				
BLM-Management of Land Resources	\$1.188	\$1.188	\$1.188	\$1.188
BLM-Oregon & California Grant Lands	\$2.500	\$2.500	\$2.500	\$2.500
Bur. of Reclamation-Water & Related Resources	\$0.532	\$0.000	\$0.000	\$0.532
Bureau of Mines-Mines & Minerals	\$1.605	\$1.605	\$1.605	\$1.605
Royalty & Offshore Minerals Mgmt (offset)	\$3.675	\$3.675	\$3.675	\$3.675
US Fish & Wildlife Service-Construction	\$1.188	\$1.188	\$1.188	\$1.188
US Fish & Wildlife Service-Resource Mgmt	\$0.000	\$0.250	\$0.250	\$0.250
National Park Service-Construction	\$1.638	\$1.638	\$1.638	\$1.638
Bureau of Indian Affairs-Construction	\$0.737	\$0.737	\$0.837	\$0.837
Department of Transportation:				
Payments to Air Carriers (contract authority)	\$2.499	\$2.500	\$2.499	\$2.500

Agency/Program	Request	House H.R. 3580	Senate H.R. 3579	Enacted H.R. 3579
Payments to Air Carriers (Airport/Airway Trust Fund) (contract authority)	\$1.000	\$3.000	\$3.000	\$3.000
FAA, Grants-in-aid-Airports (Airport/Airway Trust Fund) (contract authority)	\$0.000	\$30.000	\$185.893	\$54.000
FAA, Facilities, Engineering, & Development	\$0.000	\$0.500	\$0.000	\$0.500
Federal Rail Road Administration, Conrail Labor Protection	\$0.000	\$0.508	\$0.508	\$0.508
Maritime Guaranteed Loan (title XI) program	\$2.138	\$0.000	\$0.000	\$0.000
Health & Human Services:				
Health Professionals Education fund	\$0.000	\$0.000	\$0.000	\$11.200
Peer Review Limitation (offset)	\$16.000	\$16.000	\$0.000	\$0.000
Treasury:				
Building Repair	\$0.000	\$17.000	\$0.000	\$0.000
U.S. Customs Service, salaries & expenses	\$0.000	\$6.000	\$11.300	\$6.000
U.S. Customs Service, Drug Interdiction	\$0.000	\$0.000	\$5.512	\$4.470
IRS, Information Technology Investments	\$0.000	\$27.410	\$33.400	\$30.300
TOTAL, NON-EMERGENCY RESCISSIONS	\$46.358	\$131.471	\$263.087	\$142.697
RESCISSIONS/OFFSETS FOR EMERGENCY SUPPLEMENTALS				
Agency/Program	Request	House H.R. 3579	Senate H.R. 3579	Enacted H.R. 3579
Housing & Urban Development:				
Public & Indian Housing, Sec. 8 Reserve Preservation Account	\$0.000	\$2,193.600	\$0.000	\$2,347.200
Department of Transportation:				
FAA, Grants-in-aid-Airports (Airport/Airway Trust Fund) (contract authority)	\$0.000	\$366.400	\$0.000	\$241.000
Department of Education:				
Bilingual and Immigrant Education	\$0.000	\$75.000	\$0.000	\$0.000
Independent Agency:				
Corporation for National & Community Service	\$0.000	\$250.000	\$0.000	\$0.000
TOTAL, EMERGENCY RESCISSIONS	\$0.000	\$2,885.000	\$0.000	\$2,588.200