

TEN-YEAR EXTENSION OF AUTHORITY FOR SECRETARY
OF COMMERCE TO CONDUCT THE QUARTERLY FINAN-
CIAL REPORT PROGRAM

JULY 12, 2005.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. TOM DAVIS of Virginia, from the Committee on Government
Reform, submitted the following

R E P O R T

[To accompany H.R. 2385]

[Including cost estimate of the Congressional Budget Office]

The Committee on Government Reform, to whom was referred
the bill (H.R. 2385) to make permanent the authority of the Sec-
retary of Commerce to conduct the quarterly financial report pro-
gram, having considered the same, report favorably thereon with
amendments and recommend that the bill as amended do pass.

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The amendments are as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. TEN-YEAR EXTENSION OF AUTHORITY FOR SECRETARY OF COMMERCE TO CON-
DUCT THE QUARTERLY FINANCIAL REPORT PROGRAM.

Section 4(b) of the Act entitled “An Act to amend title 13, United States Code,
to transfer responsibility for the quarterly financial report from the Federal Trade

Commission to the Secretary of Commerce, and for other purposes”, approved January 12, 1983 (Public Law 97–454; 13 U.S.C. 91 note), is amended by striking “2005” and inserting “2015”.

Amend the title so as to read:

A bill to extend by 10 years the authority of the Secretary of Commerce to conduct the quarterly financial report program.

COMMITTEE STATEMENT AND VIEWS

PURPOSE AND SUMMARY

H.R. 2385 reauthorizes through 2015 the Quarterly Financial Report Program administered by the U.S. Census Bureau for the Secretary of Commerce. The purpose is to ensure uninterrupted continuation of this program.

BACKGROUND AND NEED FOR LEGISLATION

Section 91 of Title 13, United States Code, requires the Secretary of Commerce to collect and publish quarterly statistics on manufacturing, mining and trade corporations. The Quarterly Financial Report is a closely watched principal economic indicator used to estimate Gross Domestic Product, the Federal Reserve’s Flow of Funds account, and other official estimates. The program has been in place and uninterrupted since 1947 and was transferred from the Federal Trade Commission to the Department of Commerce in 1983.

The Secretary of Commerce’s authorization to conduct the Quarterly Financial Report Program expires September 30, 2005. H.R. 2385 would extend the authority to conduct this program an additional 10 years by changing the termination date specified in Section 91 of Title 13, United States Code, to September 30, 2015.

LEGISLATIVE HISTORY

Section 91 of Title 13, United States Code, was amended to transfer responsibility for the quarterly financial report from the Federal Trade Commission to the Secretary of Commerce in 1983 (Public Law No: 97–454). The Secretary of Commerce was reauthorized by Congress to conduct the program in 1989 (Public Law No: 101–227), 1993 (Public Law No: 103–105), and 1998 (Public Law No: 105–252).

Representative Turner introduced H.R. 2385 on May 17, 2005. Original cosponsors are Representative Davis of Virginia, Representative Shays, and Representative Dent.

The House Committee on Government Reform referred the bill to the Subcommittee on Federalism and the Census on May 17, 2005. The Subcommittee considered the bill on June 14, 2005. The Subcommittee amended the bill to grant the Secretary of Commerce a ten-year reauthorization rather than permanent reauthorization. On June 14, 2005, the Subcommittee forwarded the bill to the Full Committee (as amended) by unanimous consent.

The Committee considered the bill on June 16, 2005. The Committee adopted the bill as amended by the Subcommittee. The Committee did not consider any further amendments and the bill was ordered to be reported by voice vote.

SECTION-BY-SECTION

Section 1. Reauthorizes the Secretary of Commerce to conduct the quarterly financial report program for a period of ten (10) years.

EXPLANATION OF AMENDMENTS

The provisions of the substitute are explained in descriptive portions of this report.

COMMITTEE CONSIDERATION

On June 16, 2005, the Committee met in open session and ordered reported favorably the bill, H.R. 2385, as amended, by voice vote, a quorum being present.

ROLL CALL VOTES

No roll call votes were held.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch where the bill relates to the terms and conditions of employment or access to public services and accommodations. This bill reauthorizes through 2015 the Quarterly Financial Report Program administered by the U.S. Census Bureau for the Secretary of Commerce. As such this bill does not relate to employment or access to public services and accommodations.

Legislative branch employees and their families, to the extent that they are otherwise eligible for the benefits provided by this legislation, have equal access to its benefits.

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are reflected in the descriptive portions of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Under clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee must include a statement citing the specific powers granted to Congress to enact the law proposed by H.R. 2385. Article I, Section 8, Clause 18 of the Constitution of the United States grants the Congress the power to enact this law.

FEDERAL ADVISORY COMMITTEE ACT

The Committee finds that the legislation does not establish or authorize the establishment of an advisory committee within the definition of 5 U.S.C. App., Section 5(b).

UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandate Reform Act, P.L. 104-4) requires a statement whether the provisions of the reported include unfunded mandates. In compliance with this requirement the Committee has received a letter from the Congressional Budget Office included herein.

COMMITTEE ESTIMATE

Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs that would be incurred in carrying out H.R. 2385. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST
ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause (3)(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 2385 from the Director of Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 24, 2005.

Hon. TOM DAVIS,
Chairman, Committee on Government Reform,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2385, a bill to extend by 10 years the authority of the Secretary of Commerce to conduct the quarterly financial report program.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Melissa E. Zimmerman.

Sincerely,

DOUGLAS HOLTZ-EAKIN, *Director.*

Enclosure.

H.R. 2385—A bill to extend by 10 years the authority of the Secretary of Commerce to conduct the quarterly financial report program

H.R. 2385 would continue authority for the Department of Commerce to conduct the quarterly financial report program through 2015. Under the program, the department collects and publishes economic indicators of the performance of U.S. businesses. Based on information provided by the Department of Commerce, CBO estimates that implementing the bill would cost \$5 million in 2006 and \$26 million over the 2006–2010 period, subject to appropriation of the necessary funds. Enacting the bill would not affect direct spending or revenues.

H.R. 2385 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

H.R. 2385 would impose a private-sector mandate as defined in UMRA. The bill would extend by 10 years the authority of the Secretary of Commerce to conduct the quarterly financial report program that is set to expire on September 30, 2005. The program requires certain companies to provide survey information on their business and financial data to the Census Bureau. Extending this requirement would be a private-sector mandate on those companies. Based on information from the Census Bureau, CBO estimates that the direct cost to comply with the mandate would fall well below the annual threshold established by UMRA for private-sector mandates (\$123 million in 2005, adjusted annually for inflation).

The CBO staff contacts for this estimate are Melissa E. Zimmerman (for federal costs) and Paige Piper/Bach (for the private-sector impact). The estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

CHANGES IN EXISTING LAW MADE BY THE BILL AS REPORTED

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

SECTION 4 OF THE ACT OF JANUARY 12, 1983

(Public Law 97–454)

AN ACT To amend title 13, United States Code, to transfer responsibility for the quarterly financial report from the Federal Trade Commission to the Secretary of Commerce, and for other purposes.

SEC. 4. (a) * * *

(b) This Act, including the amendments made by this Act, shall cease to have effect after September 30, **[2005]** *2015*.

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