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HOUSE OF REPRESENTATIVES
REPORT
106–849

BUREAU OF ENGRAVING AND PRINTING SECURITY PRINTING AMENDMENTS ACT OF 2000

SEPTEMBER 14, 2000.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. LEACH, from the Committee on Banking and Financial Services, submitted the following

R E P O R T

[To accompany H.R. 4096]

[Including cost estimate of the Congressional Budget Office]

The Committee on Banking and Financial Services, to whom was referred the bill (H.R. 4096) to authorize the Secretary of the Treasury to produce currency, postage stamps, and other security documents at the request of foreign governments, and security documents at the request of the individual States or any political subdivision thereof, on a reimbursable basis, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE AND SUMMARY

The purpose of H.R. 4096, the Bureau of Engraving and Printing Security Printing Amendments Act of 2000, is to authorize the Secretary of the Treasury to produce currency, stamps and other security documents for foreign governments, and security documents for State governments and their political subdivisions. It requires that any production on behalf of non-Federal government entities not interfere with the ability of the Treasury to satisfy the engraving and printing needs of the United States, and mandates that any production for a foreign government be subject to a determination by the Secretary of State that such production is consistent with the foreign policy of the United States. It further provides that the Secretary of the Treasury shall charge fees and receive reimbursements for the engraving and printing contemplated in the bill.

BACKGROUND AND NEED FOR LEGISLATION

Currently, the Bureau of Engraving and Printing may only produce currency for the Federal Reserve and security documents for Federal entities, such as postage stamps for the United States Postal Service. The bill was introduced "by request" of the administration, and reflects both an effort to allow the United States to help foreign governments develop stable currency systems and facilitate international commerce, and to allow the Bureau to realize production efficiencies. The efficiencies would include the use of excess production capacity at the Bureau and the possibility to produce in relatively small production runs and at the request of a foreign nation, currency with cutting-edge, anti-counterfeiting features that eventually could find their way into the much larger production runs of United States currency.

The Committee understands that the Secretary of the Treasury will consider using any technology developed in any printing program authorized by this legislation in the production of United States currency.

Such technology could include printing techniques, engraving techniques, or methods for authenticating or identifying currency.

HEARINGS

H.R. 4096, the Bureau of Engraving and Printing Security Printing Amendments Act of 2000, was introduced March 28, 2000, by Representative Spencer T. Bachus, chairman of the Domestic and International Monetary Policy Subcommittee of the Committee on Banking and Financial Services.

On March 28, 2000, the Subcommittee held a regular oversight hearing on the operations of the Bureau of Engraving and Printing and of the United States Mint. Testifying were: Thomas Ferguson, Director of the Bureau of Engraving and Printing; Louise Roseman, Director of the Division of Reserve Bank of Operations and Payments Systems at the Federal Reserve Board; Bruce Townsend, US Secret Service; and John Mitchell, Deputy Director of the US Mint.

COMMITTEE CONSIDERATION AND VOTES

On July 19, 2000, the Subcommittee met in open session to mark up H.R. 4096. During the markup, one amendment was offered by Mr. Sherman to levy a surcharge of between 10 and 20 percent on all printing done under the act for foreign governments or their political subdivisions. The amendment was defeated on a recorded vote of 8 to 11, with a quorum being present. The Subcommittee passed and favorably reported the bill to the full Committee.

YEAS	NAYS
Dr. Paul	Mr. Bachus
Mr. Ose	Mr. Castle
Dr. Weldon	Mr. Lucas
Mr. Toomey	Mr. Metcalf
Mr. Watt	Mr. Ryan of Wisconsin
Mr. Sherman	Mrs. Biggert
Mr. Inslee	Mr. Green
Ms. Schakowsky	Ms. Waters
	Mr. Meeks
	Ms. Lee
	Mr. Moore

On July 27, 2000, the full Committee on Banking and Financial Services met in open session to mark up H.R. 4096. There were no amendments and the bill was adopted by a voice vote. Subsequently, with a quorum being present, H.R. 4096 was ordered reported, by a voice vote.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

COMMITTEE ON GOVERNMENT REFORM

In compliance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, no oversight findings have been submitted to the Committee by the Committee on Government Reform.

CONSTITUTIONAL AUTHORITY

In compliance with clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the constitutional authority for Congress to enact this legislation is derived from Article I, section 8, clause 1 (relating to the general welfare of the Untied States): Article I, section 8, clause 3 (relating to Congressional power to regulate commerce); Article 1, section 8, clause 5 (relating to the power "to coin money" and "regulate the value thereof"); Article I, section 8, clause 18 (relating to making all laws necessary and proper for carrying into execution powers vested by the Constitution in the government of the United States).

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, please see the attached Congressional Budget Office cost estimate.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

CONGRESSIONAL ACCOUNTABILITY ACT

The reporting requirement under section 102(b)(3) of the Congressional Accountability Act (P.L. 104–1) is inapplicable because this legislation does not relate to terms and conditions of employment or access to public services or accommodations.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE AND UNFUNDED MANDATES ANALYSIS

H.R. 4096—Bureau of Engraving and Printing Security Printing Amendments Act of 2000

H.R. 4096 would allow the Bureau of Engraving and Printing (BEP) to print currency, postage stamps, and other security docu-

ments at the request of foreign governments. The bureau has had several recent requests to perform such services. In addition, the bill would allow BEP to print security documents for state and local governments. Because foreign, state, or local governments would pay BEP for the full cost of producing any documents, and because BEP has the authority to retain and spend such collections without further appropriation, CBO estimates that enacting H.R. 4096 would have no significant budgetary impact. Pay-as-you-go procedures would apply, however, since the bill could affect direct spending.

H.R. 4096 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. Any costs to state or local governments as a result of enactment of this bill would be incurred voluntarily as part of a business relationship.

The CBO staff contact is John R. Righter. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.

DEPARTMENT OF THE TREASURY,
Washington, DC, July 26, 2000.

Hon. JIM LEACH,
Chairman, Committee on Banking and Financial Services,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Department of the Treasury is pleased that H.R. 4096, the "Bureau of Engraving and Printing Security Printing Amendments Act of 2000," was favorably reported by the Subcommittee on Domestic and International Monetary Policy and is now pending consideration by the Committee on Banking and Financial Services. I respectfully urge the Committee to favorably report the Subcommittee version of the bill for prompt consideration by the full House of Representatives.

The bill would authorize Treasury's Bureau of Engraving and Printing (BEP) to print, on a fully reimbursement basis, securities and other documents for States and their political subdivisions and foreign governments. Any production on behalf of a foreign government would be subject to a determination by the Secretary of State that it is consistent with the foreign policy of the United States.

An amendment was offered at Subcommittee markup to require a 10 to 20 percent surcharge for work performed by the BEP on behalf of foreign governments. The Department of the Treasury was unable to support the amendment, which failed on a bipartisan vote. Because existing Federal statutes require the BEP to secure reimbursement for all direct and indirect costs as well as imputed long-term capital expenses, legislation is not necessary to ensure that work for foreign governments is performed without cost to U.S. taxpayers. Imposition of a surcharge would destroy the basic intent of the bill by placing the BEP at a competitive disadvantage with respect to foreign printing competitors. Additionally, inflated fees would most harm impoverished, developing nations who stand to receive the greatest benefit from Treasury's expertise in designing and printing securities.

Enactment of H.R. 4096 would permit the United States to assist developing nations with the establishment of stable currency systems and to produce security products to facilitate international commerce. The legislation would enable the BEP to create effi-

ciencies by establishing more consistent production schedules, and to test, without cost to U.S. taxpayers, new technologies and techniques and apply such experience as the Bureau develops and produces future generations of U.S. currency.

Prompt consideration of the bill by the full Committee and the House of Representative would be very much appreciated.

Sincerely,

LAWRENCE H. SUMMERS.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

Section 1 provides that the bill may be cited as the "Bureau of Engraving and Printing Security Printing Amendments Act of 2000."

Section 2. Production of documents for foreign governments

This section authorizes the Secretary of the Treasury to produce currency, stamps, and other security documents for foreign governments, and security documents for State governments and their political subdivisions. It requires that any production on behalf of non-Federal government entities not interfere with the ability of the Treasury to satisfy the engraving and printing needs of the United States, and mandates that any production for a foreign government be subject to a determination by the Secretary of State that such production is consistent with the foreign policy of the United States. It further provides the Secretary of the Treasury with the authority to charge fees and receive reimbursements for engraving and printing services.

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):

TITLE 31, UNITED STATES CODE

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SUBTITLE IV—MONEY

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CHAPTER 51—COINS AND CURRENCY

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SUBCHAPTER II—GENERAL AUTHORITY

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§ 5114. Engraving and printing currency and security documents

[(a) The Secretary of the Treasury**]** *(a) AUTHORITY TO ENGRAVE AND PRINT.—*

(1) IN GENERAL.—The Secretary of the Treasury shall engrave and print United States currency and bonds of the United States Government and currency and bonds of United States territories and possessions from intaglio plates on plate printing presses the Secretary selects. However, other security documents and checks may be printed by any process the Secretary selects. Engraving and printing shall be carried out within the Department of the Treasury if the Secretary decides the engraving and printing can be carried out as cheaply, perfectly, and safely as outside the Department.

(2) ENGRAVING AND PRINTING FOR FOREIGN GOVERNMENTS.—The Secretary of the Treasury may, if the Secretary determines that it will not interfere with engraving and printing needs of the United States—

(A) produce currency, postage stamps, and other security documents for foreign governments, subject to a determination by the Secretary of State that such production would be consistent with the foreign policy of the United States; and

(B) produce security documents for States and their political subdivisions.

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SUBCHAPTER IV—BUREAU OF ENGRAVING AND PRINTING

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§ 5143. Payment for services

The Secretary of the Treasury shall impose charges for Bureau of Engraving and Printing services the Secretary provides to an agency*, any foreign government, or any individual state or other political subdivision of any foreign government*. The charges shall be in amounts the Secretary considers adequate to cover the costs of the services (including administrative costs related to providing the services). The agency*, foreign government, or individual state or other political subdivision of a foreign government* shall pay promptly bills submitted by the Secretary.

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