Description of Amendment to H.R. 2513
as Reported by the Committee on Ways and Means

This document, prepared by the staff of the Joint Committee on Taxation, describes an
amendment to H.R. 2513, as reported by the House Committee on Ways and Means, (H. Rep.
No. 105-318, Part I).

The amendment would be the same as H.R. 2513, as so reported, with the following
changes.

1. Budgetary Treatment

The provision relating to budgetary treatment would be deleted.

2. Sale of Excess Commodities from the National Defense Stockpile

Under the proposal, certain commodities in excess of national security needs would be
sold from the National Defense Stockpile.

The stockpile inventory was originally intended for use in a protracted global conflict
with the Soviet Union in which world trade could have been disrupted for a period of years. The
1997 Stockpile Requirements Report of the Secretary of Defense states that the current, smaller
threat, favorable alliance situation, and likelihood of short-duration conflicts greatly reduces the
strategic requirement for the materials in the stockpile. Specifically, the Report no longer lists
platinum as needed to be stockpiled to meet the Department of Defense strategic requirements.
The Report also states that the stockpile currently has over 1.2 million troy ounces of palladium
more than is needed to meet the Department's strategic requirement.

The proposal would require the sale of not more than 130,000 troy ounces of palladium
and not more than 20,000 ounces of platinum contained in the National Defense Stockpile so as
to result in receipt to the United States in an amount equal to $17,000,000 during fiscal year
1998. During each of the fiscal years 1999 through 2002, the proposal would require the sale of
not more than 60,000 troy ounces of palladium contained in the National Defense Stockpile so as
to result in receipts to the United States in an amount equal to $4,000,000 during each of such
fiscal years.

1 The description of this proposal was provided by the majority staff of the House
Committee on the Budget.
Funds received as a result of these sales would be required to be deposited in the general fund of the Treasury for the purpose of deficit reduction.

3. Recovery of Costs of Health Care Services for Personnel of the Foreign Service of the United States and Other Eligible Individuals

Currently, U.S. embassies often use their own operating funds to pay for medical services for State Department and other Federal employees who require medical attention overseas. The State Department does not seek reimbursement for its expenses from the health insurance carrier for the employee, even if the employee is covered under the Federal Employees Health Benefits Plan ("FEHBP").

The proposal would require the State Department to seek out the FEHBP insurer of Federal employees who receive medical care overseas and obtain reimbursement for that medical care. The reimbursements would be deposited with the Treasury as a miscellaneous offsetting receipt. The provision would be effective on the date of enactment.

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2 The description of this proposal was provided by the majority staff of the House Committee on the Budget.