

spect to a deferral or rescission, or has incorrectly classified an action in such message. Section 1016 of the Act empowers the Comptroller General to bring a civil action to require that unlawfully impounded budget authority be made available for obligation. The Comptroller General has expressed the view that he lacks authority to take any action to compel the release of impounded funds since such authority was linked to the invalidated Section 1013.

#### *Senate Amendment*

The Senate amendment (Section 229) enacts a new Section 1013 that codifies the *New Haven* decision and General Accounting Office administrative interpretations by prohibiting policy deferrals and providing that deferrals will be permissible only: (1) for contingencies, (2) for efficiency, or (3) as specifically provided for by law. Programmatic deferrals must be reported to the Congress and be accompanied by a detailed description and justification of the proposal. Deferrals may not be proposed for any period extending beyond the end of the fiscal year in which the proposal is reported.

The Senate amendment also reaffirms the Comptroller General's authority under Sections 1015 and 1016 of the Act to initiate suits to compel the release of impounded funds and his duty to safeguard Congress' institutional interest in the spending process.

#### *Conference Agreement*

The House recedes and concurs in the Senate amendment.

### 10. Clarification of Congressional Intent Regarding Rescission Authority

#### *Current Law*

Section 1012(b) of the 1974 Impoundment Control Act empowers the President to withhold spending appropriated funds during a period of 45 days of continuous session while Congress considers a rescission proposal. Under General Accounting Office interpretations which allow preparation time for the submittal message, and because certain days are not counted as days of continuous session, rescission proposals sometimes result in appropriated funds being withheld for up to 75 or more calendar days. Serial proposals covering the same subject matter have the effect of extending indefinitely the period of unavailability.

#### *Senate Amendment*

The Senate amendment (Section 230) adds language to Section 1012(b) to prohibit the Executive practice of submitting serial rescission messages covering similar matter when Congress fails to act on such proposals within the statutory 45-day period. The Senate amendment limits the Executive to one rescission proposal in any year regarding substantially the same budget authority.

#### *Conference Agreement*

The conference agreement amends Section 1012(b) of the Impoundment Control Act of 1974 to prohibit proposals to rescind budget authority which were the object of a previous rescission pro-

posal not accepted by Congress. The conferees intend that the President be allowed to propose one rescission for any given activity. If the rescission proposal for that activity is not agreed to by Congress, no further rescission proposal for that activity would be allowed during the availability of that appropriation.

The conference agreement is not meant to diminish the restriction on the Executive from the Senate amendment. The conferees intend that the conference agreement will cover cases in which the Executive seeks to rescind substantially the same budget authority, not just exactly the same budget authority.

The conferees intend that authority granted to the President under this Act regarding the sequestration process shall in no way augment the authority available to him, and the requirements imposed on him, under existing law regarding the deferral or rescission of funds.

## 11. Two-Year Appropriations

### *Current Law*

Under current practices, the House and Senate provide most new budget authority for a fiscal year in the form of annual appropriations acts (i.e., regular, supplemental, and continuing appropriations acts). Most appropriations within such an act are available for obligation only during the fiscal year, but some are available for two or more fiscal years.

### *Senate Amendment*

The Senate amendment (Section 224) expresses the sense of the Congress that legislation experimenting with two-year appropriations for selected budget subfunctions shall be adopted as part of reconciliation legislation required by the FY 1988 budget resolution (H. Con. Res. 93, adopted June 24, 1987).

### *Conference Agreement*

The conference agreement urges the Congress—under a plan to be developed by the appropriate committees in consultation with the leadership of both Houses and in cooperation with the Executive Branch—to experiment with multiyear authorizations and two-year appropriations for selected agencies and accounts, and to evaluate the experiment once completed.

## 12. Credit Reform

### *Current Law*

Current law regarding the treatment of credit activities in the budget process is under the law.

### *Senate Amendment*

Senate amendment numbered 3 in part adds a new title (Title III—Credit Reform), to be cited as the "Federal Credit Reform Act of 1987," to the joint resolution.

The Senate amendment establishes the scoring of direct loans and guarantees on the basis of subsidy costs, defined as the present value of the direct costs to Government to extend credit assistance.