OTHER AGENCIES

COMMODITY FUTURES TRADING COMMISSION

The Commodity Futures Trading Commission (CFTC) protects the integrity and effectiveness of the U.S. futures and options markets. It protects investors by preventing fraud and abuse and ensuring adequate disclosure of information. Major activities of the agency include: promulgating regulations governing commodities futures markets; detecting and prosecuting investor fraud; and monitoring the markets in order to prevent illegal price manipulation efforts. In 2004, CFTC filed 83 enforcement actions against suspected violators of commodity trading laws. The 2006 Budget provides $99 million to fund CFTC's activities.

Price Manipulation in Energy Markets

Since December 2002, CFTC filed charges against a total of 30 companies and individuals and assessed over $267 million in civil monetary penalties for illegal activity in the energy markets. In 2004, CFTC actions resulted in a $35 million civil monetary penalty against Enron. Among other claims, the CFTC alleged that Enron and a natural gas trader engaged in a manipulative scheme to buy an extraordinarily large amount of natural gas in a short period of time. The complaint alleged Enron's actions had a direct and adverse effect on the New York Mercantile Exchange natural gas futures contract, including causing prices to become artificial. In announcing the penalty, Gregory G. Mocek, the Director of Enforcement for the CFTC stated, "This settlement demonstrates the CFTC's exhaustive efforts to identify and root out manipulation of the natural gas and energy markets."

CONSUMER PRODUCT SAFETY COMMISSION

Safety helmets are one of 15,000 types of consumer products under CPSC's jurisdiction.

The Consumer Product Safety Commission (CPSC) is the Federal agency responsible for protecting families from hazards related to consumer products under its jurisdiction. CPSC collects data to monitor injuries and deaths resulting from consumer products, works with industry to develop voluntary standards to make products safer, and educates consumers on potentially dangerous products. Where these steps are insufficient to protect Americans from unnecessary risks, CPSC develops mandatory rules and conducts product recalls. The President's Budget includes $62 million for CPSC to sustain existing safety efforts and continue providing national consumer product safety leadership.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Each year, the Corporation for National and Community Service (CNCS) engages more than 2.5 million Americans in service opportunities. Through AmeriCorps, Senior Corps, and Learn and Serve America, CNCS helps Americans answer the President's Call to Service. The 2006 Budget proposes $921 million for CNCS to support 75,000 AmeriCorps members, provide service opportunities for some 500,000 Senior Corps members, and engage over one million youth in service learning through Learn and Serve America. The Corporation's programs work with community- and faith-based organizations to meet local needs. Its programs support activities ranging from tutoring and mentoring children, assisting the elderly, preserving the environment, building homes for low-income families, and mobilizing volunteers to respond to disasters.

Strengthening AmeriCorps for the Future

Launched 10 years ago, the AmeriCorps program has enabled more than 400,000 Americans to address pressing community needs while earning an education award to help finance college or re-pay student loans. In 2003, AmeriCorps members tutored nearly a half million children, helped build and rehabilitate more than 3,300 homes for low-income families, and helped restore and conserve more than 41,000 acres of public lands. In 2004, CNCS launched a comprehensive rulemaking process to implement AmeriCorps grantmaking reforms, program management improvements, and long-term financial sustainability. The final rule will be published in 2005 and will promote long-term growth as well as sustainability of national service programs by local communities and the private sector. The 2006 Budget requests $421 million to support the President's goal of 75,000 AmeriCorps members, including $146 million in the National Service Trust to support member education awards.

Helping the Hurricane-weary

Reeling from one of the worst hurricane seasons in its history, Florida needed a rapid, flexible response. In 2004, more than 700 AmeriCorps, Senior Corps, and Learn and Serve America members were deployed to help Floridians survive the storms and repair the damage. For example, teams of AmeriCorps National Civilian Community Corps members from all five campuses were deployed to cover approximately 1,500 roofs with plastic sheeting to protect storm-damaged homes in Tallahassee from the weather until permanent repairs could be made. Senior Corps volunteers worked with Orlando's Emergency Operations Center and the Red Cross to create a volunteer reception center to help special needs residents who did not evacuate during the storms.

Fostering a Culture of Service

In conjunction with the USA Freedom Corps, a White House office created by President Bush following the attacks of September 11th, CNCS is helping Americans of all ages and backgrounds answer the President's Call to Service to dedicate at least 4,000 hours, or two years, of their lives in service. The 2006 Budget will enable an estimated 500,000 older Americans to volunteer through the Senior Corps program. The Budget proposes $220 million for the Senior Corps program, which meets a wide range of community needs such as helping seniors live independently in their homes, mentoring children of prisoners, and tutoring children. The Budget also proposes $40 million for Learn and Serve America to engage more than 1 million American youth in service learning education. In addition, the Budget includes $10 million for the Points of Light Foundation to connect Americans, businesses, and community-based nonprofits to increase volunteering across America and $5 million for America's Promise to support a network of Communities of Promise that build the character and competence of young people. Finally, the Budget proposes $4 million to support Teach for America, a national organization supporting a professional teacher corps that serves in low-income, rural, and urban communities.


Senior Corps members building homes with Habitat for Humanity.

DISTRICT OF COLUMBIA

The 2006 President's Budget provides $103 million for the District of Columbia (D.C.). This includes $75 million for D.C. school children, as well as $28 million in funding for other D.C. programs. The 2006 Budget continues the 2004 and 2005 investment in the D.C. School Choice program, with $15 million. This program helps increase the capacity of the District to provide parents—particularly low-income parents—more options for obtaining a quality education for their children who are trapped in low-performing schools. As part of the Administration's commitment to improving education in D.C., the Budget continues funding for D.C. public schools and D.C. charter schools, with $27 million. The Budget also continues to support the D.C. Resident Tuition Assistance program, with $33 million. This program was started in 1999 and allows District residents to attend public colleges nationwide at in-State tuition rates.

The President's Budget continues support to help improve the Anacostia River for D.C.'s residents and visitors. The 2006 Budget proposes $5 million to continue design and construction work on the Anacostia trailwalk. The trailwalk will create pedestrian and bicycle trail systems from the Potomac River to the District's border with Maryland.

The 2006 Budget continues to support D.C.'s public safety response to events directly related to the Federal Government's presence in the District, with $15 million to defray the cost of events such as protection for the annual World Bank and International Monetary Fund meetings.

The 2006 Budget supports funding for a bioterrorism and forensics laboratory in the District, with $7 million. The present situation, in which the District relies on the laboratory facilities of Federal agencies, does not allow the District to keep up with the demand of its current workload. Initial planning and design work on the lab began in 2005. The 2006 funds will allow the District to move forward with early construction phases, and will be matched by $1.5 million in local capital funds from the District.

The 2006 Budget also proposes an increase in the amount of Federal funding the District receives for child welfare services, specifically foster care and adoption assistance. The 2006 Budget would increase the District's reimbursement rate under Title IV-E of the Social Security Act from 50 to 70 percent. Title IV-E is the primary Federal funding source that provides foster care and adoption subsidy payments, which enable families to adopt special needs children from foster care. This adjustment will bring the Title IV-E Federal match rate in line with the District's Medicaid match rate, as it is in other States.

In 2006, the Administration will also work with the District to review the current portfolio of Federal lands in the District of Columbia to determine whether any of these parcels would be better utilized by the District. In addition, the Administration continues to support enactment by the Congress of a law to allow the D.C. government's proposed local budget to take effect without a separate annual appropriations bill, subject to limitations imposed by the Congress by law.

DISTRICT OF COLUMBIA COURTS

The District of Columbia (D.C.) Courts continue to work on capital improvements necessary for the Family Court Division of the D.C. Superior Court. The President's Budget provides $267 million to the Courts, which includes $83 million for significant capital improvements in the Judiciary Square area. Judiciary Square is the center of many criminal justice functions in the District and is the home of the D.C. Superior Court, as well as a variety of other city and Federal criminal justice agencies. Improvements planned for the area include a full restoration of the city's Old Courthouse. The Old Courthouse was originally built between 1821 and 1881 and is listed on the National Register of Historic Places. Restoration work on the Old Courthouse began in early 2005. In addition, the Courts completed renovation work on Building B in December 2003. This allowed the Small Claims and Landlord courts to move from the H. Carl Moultrie Courthouse to Building B. As a result of this move, an interim Family Court facility opened in the H. Carl Moultrie Courthouse in the Fall of 2004. The D.C. Courts will continue to undertake significant design and renovation work on the H. Carl Moultrie Courthouse in preparation for opening a permanent Family Court.

ELECTION ASSISTANCE COMMISSION

The Election Assistance Commission provides funding to States to improve election equipment and the administration of Federal elections. Since enactment of the Help America Vote Act of 2002, the Federal Government has provided approximately $3.1 billion to upgrade voting systems, develop electronic voter registration lists, assure access for individuals with disabilities, and train election officials for all 50 States, the District of Columbia, and four territories (Puerto Rico, Guam, American Samoa, American Virgin Islands). The 2006 President's Budget proposes $17.6 million for the Commission to develop voluntary standards and initiate an accreditation program for electronic voting machines.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

The Equal Employment Opportunity Commission (EEOC) enforces Federal laws that prohibit employment discrimination based on race, color, sex, religion, national origin, age, and disability. EEOC also seeks to prevent discrimination through outreach, education, and technical assistance that promote employers' voluntary compliance with the law. One of EEOC's responsibilities is to hold hearings and resolve appeals related to Federal employees. During 2004, EEOC reduced the inventory of pending hearings and appeals requests from about 12,300 at the end of 2003 to 9,600 at the end of 2004.

The 2006 Budget provides $331 million for EEOC, which is $4 million, or one percent, more than the level in the 2005 Consolidated Appropriations Act. The Budget would allow EEOC to continue its outreach to workers and employers, and to reposition the agency for improved service. To support the President's New Freedom Initiative—a strategy to integrate people with disabilities fully into the Nation's life—EEOC will continue its project to identify States' best practices for removing employment barriers faced by people with disabilities. The agency will publish a final report in 2006.

Teaching Teens about Equal Opportunity

EEOC's Youth@Work Initiative promotes equal employment opportunity for the next generation of workers. The Youth@Work website *(www.youth.eeoc.gov)* explains job discrimination that young workers may encounter and suggests strategies to respond to it. In addition, the New York District Office's T.E.A.C.H. (Teen Education, Assistance, Compliance and Help) program has taught students of several local universities and high schools about their rights and responsibilities as potential employees and employers.

EXECUTIVE OFFICE OF THE PRESIDENT

The Executive Office of the President (EOP) includes a number of organizations dedicated to serving the President. As part of the 2006 Budget, the Administration requests a three-part financial restructuring initiative, which would:

- Consolidate the annual appropriations in the Departments of Transportation, Treasury, Independent Agencies, and General Government appropriations bill for EOP components that most immediately serve the presidency—the White House Office, the Office of Policy Development, Executive Residence, the Office of Administration, White House Repair and Restoration, Privacy and Civil Liberties Oversight Board, National Security Council, and the Council of Economic Advisers—into a single appropriation called The White House.
- Extend the general provision for limited transfer authority in section 533 of the Departments of Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005 (Division H of Public Law 108-447), to provide for a 10-percent transfer authority among all of the following accounts: The White House, Special Assistance to the President and Official Residence of the Vice President, Office of Management and Budget, United States Trade Representative, Office of National Drug Control Policy, Council on Environmental Quality, and Office of Science and Technology Policy. Transfers from the Special Assistance to the President and the Official Residence of the Vice President account are subject to the approval of the Vice President.
- Continue centralization of rent, after-hours utilities, and health unit funding for the EOP into the Office of Administration program.

This initiative provides enhanced flexibility in allocating resources and staff in support of the President and the Vice President, and permits more rapid response to changing national needs and priorities.

Resources requested for the EOP, and for executive functions and official residence of the Vice President (see 3 U.S.C. 106 and Public Law 93-346), in 2006 total $329 million, or 1.7 percent, below the 2005 appropriated level. These resources will support approximately 1,840 personnel, as well as information technology and other infrastructure needs to serve the President and the Vice President.

FEDERAL COMMUNICATIONS COMMISSION

The President's 2006 Budget proposes $304 million for the Federal Communications Commission (FCC), of which $299 million would be offset directly by regulatory fees. This funding provides inflationary increases and supports the Commission's ongoing work to ensure that Americans have rapid and efficient communications services.

Demanding that Government Programs Demonstrate Results

The Telecommunications Development Fund (TDF) was created by the Congress in 1996 with the mandate to finance small businesses in the telecommunications sector, help develop new technologies, and promote universal service. It started operations in 1998 as an equity investment venture capital fund focusing on early-stage companies. Over the years, the firm has been capitalized by the Federal Government; it retains the interest earned on deposits made by bidders in FCC spectrum auctions. Between 1998 and 2003, TDF received nearly $50 million in interest on these deposits.

Through the end of calendar year 2003, TDF had invested a total of $14.5 million in about 14 companies. TDF has already written off more than $10 million of these investments. TDF spent approximately $9 million on salaries and other administrative expenses during the same period. As of December 2003, TDF also held $29 million in cash equivalents.

Over the same period, private markets provided billions of dollars in early-stage venture capital to the telecommunications sector. Also, the Universal Service Fund provides over $6 billion annually to promote universal service.

As a result of TDF's disappointing performance, lack of impact, and high administrative costs, the Budget proposes terminating the fund and returning remaining assets to the Treasury.

Recent years have witnessed enormous growth in advanced communications technologies. Following the FCC decision to deregulate broadband, companies announced over $6 billion in planned investment to bring broadband to an additional 20 million homes, supporting the Administration's goal of universal, affordable access to broadband by 2007. The FCC plans to auction 90 MHz of spectrum for advanced wireless services, half of which represents spectrum moving from Federal to private use. This spectrum will allow multiple companies the opportunity to become broadband providers—stimulating vigorous competition and bringing lower prices and improved services to consumers.

Spectrum auctions have proven to be an effective mechanism to assign licenses for certain spectrum-based services. Since 1994, communications service providers have won over 25,000 licenses and paid over $14 billion into the Treasury through FCC auctions. The Administration supports legislation to extend indefinitely the FCC's auction authority, which expires in 2007.

To continue to promote efficient spectrum use, the Administration also supports granting the FCC authority to set user fees on unauctioned spectrum licenses based on public-interest and spectrum-management principles. Fee collections are estimated to begin in 2007 and total $3.1 billion in the first 10 years.

To encourage the digital transition, the Administration seeks to create incentives for television broadcasters to vacate the analog spectrum, as required by law, in a timely fashion. The Administration supports authorizing legislation for the FCC to establish an annual lease fee for analog spectrum use by commercial broadcasters starting in 2007. Individual broadcasters would be exempt as they return their analog spectrum, and collections would decline.

FEDERAL DEPOSIT INSURANCE CORPORATION AND NATIONAL CREDIT UNION ADMINISTRATION

The purpose of deposit insurance is to maintain stability and public confidence in the Nation's banking system. Federal deposit insurance, offered by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA), is designed to protect depositors from losses due to failures of insured commercial banks, thrifts (savings institutions), and credit unions.

Individual deposits of up to $100,000 are covered in most U.S. banks, savings associations, and credit unions.

Currently, the Federal Government, through FDIC and NCUA, insures $4 trillion in deposits at more than 18,000 institutions. These agencies maintain insurance reserves to reimburse depositors at failed institutions. FDIC and NCUA fund these reserves through assessments on insured institutions, recoveries of assets liquidated from failed institutions, and interest credited to these reserves from U.S. Treasury securities. At the end of 2004, the insurance reserves at the FDIC exceeded $46 billion, while the insurance fund balance at the NCUA was over $6 billion. In 2004, 27 commercial banks and credit unions, worth approximately $300 million in combined assets, failed. This compares to 2003, when 12 institutions with $1.2 billion in assets failed.

While the deposit insurance system for banks and thrifts is generally sound and well managed, it has structural weaknesses that, in the absence of reform, could deepen over time. The Administration supports reforms that would strengthen the deposit insurance system managed by FDIC. The Administration supports the proposal submitted by the Treasury Department and Federal banking regulatory agencies to the Senate in 2003 that would accomplish this objective. The proposal drew on a framework outlined by the FDIC and discussed in congressional testimony and elsewhere by the Department of the Treasury officials.

- FDIC has been prohibited from charging premiums to well-capitalized and well-run institutions since 1996. Therefore, under the current pricing structure, fewer than 10 percent of banks and thrifts pay regular insurance premiums. The proposal would restore the FDIC's ability to levy premiums for the benefit of deposit insurance, and to vary those premiums according to the relative risks to the insurance fund posed by each institution. It also would enable the FDIC to ensure that institutions compensate the fund for insured deposit growth.
- Under the current system, FDIC is required to maintain a designated reserve ratio (DRR), the ratio of insurance fund reserves to total insured deposits, of 1.25 percent. When the reserve ratio falls below the DRR, the FDIC must charge premiums that are sufficient to restore the reserve ratio to the DRR within one year. If the reserve ratio remains below the DRR for more than one year, FDIC must charge premiums that average no less than 23 basis points. Such a premium increase could occur when the banking system, and probably the economy, are under serious stress. The proposal would permit FDIC to alter the DRR within a range and give FDIC broad discretion in managing reserves within this range. This flexibility will enable reserves to grow when economic conditions are good, in order to enable the fund to better absorb losses under adverse conditions without sharp premium increases.
- The Administration supports merging the bank and thrift insurance funds, which offer an identical product. A single merged fund would be stronger and better diversified than either fund alone, and, therefore, would improve the system's ability to withstand future losses.

FEDERAL ELECTION COMMISSION

The Federal Election Commission (FEC) administers the Federal laws governing financing of candidates for the Presidency, Vice Presidency, the U.S. Senate, and the U.S. House of Representatives. FEC requires candidate disclosure of campaign finance information, enforces financing and contribution limits, and oversees the public funding of Presidential elections. The President's Budget proposes $54.6 million to fund these activities in 2006.

FEDERAL TRADE COMMISSION

The Federal Trade Commission (FTC) enforces consumer protection laws that prevent fraud, deception, and unfair business practices, and promotes consumer choice and public understanding of free markets. The Commission also enforces Federal antitrust laws, which prohibit anticompetitive mergers and other business practices that restrict competition and harm consumers. The 2006 President's Budget proposes $212 million for the FTC, which will be partially offset by fee collections from businesses for merger filings, and from telemarketers for access to the Do-Not-Call list in order to avoid calling registered phone numbers.

The Budget includes funding for the FTC to continue enforcing the National Do-Not-Call Registry, in partnership with States and the Federal Communications Commission. Since its inception, more than 73 million numbers have been signed up for the Do-Not-Call Registry, which has stopped over 835 million unwanted telemarketing calls each month.

Experts estimate that unsolicited email (spam) costs U.S. businesses between $10 billion and $87 billion annually. The FTC currently is pursuing cases under the Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM Act), which the President signed in December 2003 to provide the FTC with new tools to address the negative economic and social impacts of unsolicited email.

Identity theft has affected the lives of more than 27 million victims over five years and has resulted in billions of dollars in losses for businesses and consumers. As part of its continued efforts to stem identity theft and increase consumer credit protection, the FTC is establishing new rules pursuant to the Fair and Accurate Credit Transactions Act, including a rule to allow certain servicemembers to place an alert on their credit report to help protect them from identity theft while deployed.

As part of its efforts to monitor the marketplace for anticompetitive mergers and practices, FTC pursues administrative remedies in antitrust cases regarding a variety of consumer issues, such as high technology, health care, and oil and gasoline.

The Budget supports the FTC's continued work to help ensure that American businesses and consumers reap the full benefits of our free market.

GENERAL SERVICES ADMINISTRATION

The General Services Administration (GSA) assists Federal agencies in operating more efficiently and effectively by providing superior workplaces, expert information technology solutions, and best value acquisition services.

GSA owns approximately 1,600 buildings, accounting for about 180 million square feet of space. GSA continues its efforts to assess the financial and physical condition of its existing inventory and is restructuring its real estate portfolio to focus primarily on those income-producing properties that meet capital reinvestment needs. Since 2001, GSA has completed 30 construction projects and 32 major repair and alteration projects. In 2006, the Budget proposes funding for 12 construction projects and 10 major repair and alteration projects. The most sizable project is funding for a new Federal courthouse in San Diego, California ($231 million).

In 2006, GSA will significantly advance the President's Management Agenda. GSA will spend $45 million on E-Government projects that use improved Internet-based technology to make it easy for citizens and businesses to interact with the Government, save taxpayer dollars, and streamline citizen-to-Government contact. Furthermore, GSA has begun to make greater use of performance information in management by developing a performance-based budget request and implementing a new performance appraisal system that holds employees accountable for their contributions to overall agency performance.

The 2006 President's Budget also proposes changes to the funding mechanism and organization of the Federal Technology and Supply Services. First, the Budget proposes to establish a new General Services Fund by merging the Information Technology Fund and the General Supply Fund. This action will improve accountability by bringing oversight of the Fund under the agency's Chief Financial Officer. Due to the evolution of how information technology is acquired—buying solutions that are a mix of products and services rather than stand-alone hardware or services—two separate Supply and Technology organizations are no longer needed. Therefore, the Budget proposes breaking down these artificial barriers by merging the two services into a Federal Supply and Technology Service. The result of this restructuring includes increasing organizational efficiencies, improving coordination by streamlining functions, and achieving savings for customer agencies by modifying fee structures. GSA will develop an aggressive action plan to achieve these objectives by July 2005. Also, in January 2006, GSA will reduce the fee agencies pay when using Government-wide contracts to procure commercial services and products.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

The Institute of Museum and Library Services (IMLS) is established within the National Foundation on the Arts and Humanities. Through its grant programs and leadership activities, IMLS assists museums and libraries in sustaining their contributions to educating our citizens and strengthening our communities. The Administration continues to support the important role of libraries and museums with a 2006 Budget proposal of $262 million, including nearly $22 million in increases for priority programs and activities. The request does not continue support for the nearly $40 million in unrequested, noncompetitive projects that were funded in 2005.

The Budget proposes a $10 million increase for the Library State Grants program, which supports State efforts to promote access, for individuals of all ages, to learning and information resources at all types of libraries. The Administration is requesting $26 million for the Librarians for the 21st Century program, a $3 million increase, to support partnerships between libraries and institutions of higher education for the recruitment and education of a new generation of library professionals who are prepared to tackle the technological challenges of the information age. In addition, the Budget proposes $15 million in increases for IMLS museum programs to support initiatives that enhance the educational and technological linkages between museums and their communities, and to foster better evaluation of the impact of these programs on the communities they serve.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

The National Archives and Records Administration (NARA) safeguards records of all three branches of the Federal Government and ensures ready access to records documenting the actions of Government officials and agencies. In 2006, the Budget proposes $314 million for NARA. Of this funding, $36 million will go toward development of the initial deployment of the Electronic Records Archives project, a comprehensive means for preserving and providing access to the Government's electronic records. The Budget level also includes $3 million to improve the security of NARA's holdings.

NATIONAL ENDOWMENT FOR THE ARTS

The National Endowment for the Arts (NEA) supports excellence in the arts, brings the arts to all Americans, and provides leadership in arts education. In 2006, the Budget requests $121 million for programs and associated costs, including Challenge America: Reaching Every Community grants and national initiatives such as American Masterpieces: Three Centuries of Artistic Genius. Funds in the Budget will expand the American Masterpieces Initiative to celebrate our Nation's great artistic achievements with special touring programs in dance, visual arts, and music; local presentations; in-school arts education programs; and student visits to exhibitions, presentations, and performances. NEA will support projects that extend the reach of the arts by supporting works of artistic excellence and promoting projects in communities that have not had access to quality arts programming. These projects will be supported with public and private partners, including State arts agencies and regional arts organizations.

NATIONAL ENDOWMENT FOR THE HUMANITIES

NEH Chairman Bruce Cole congratulating winners of the 2004 The Idea of America essay contest for high school students, a new We the People program.

The National Endowment for the Humanities (NEH) serves and strengthens our Nation by promoting excellence in humanities and conveying the lessons of history to all Americans. NEH supports research, education, preservation, and public programs in the humanities. In 2006, the Budget requests $138 million for NEH. Of this, $11 million is for the continued support of the agency's We the People Initiative, which is strengthening the teaching, study, and understanding of our Nation's history and culture. NEH funding also will support partnerships with State humanities councils; the enrichment of humanities education; efforts to preserve and increase access to important reference materials; and museum exhibitions, television and radio documentaries, and reading programs in the humanities that reach millions of Americans.

NATIONAL LABOR RELATIONS BOARD

The National Labor Relations Board (NLRB) regulates private-sector employer and union relations to minimize interruptions to commerce caused by strikes and worker-management discord. NLRB supervises elections in which employees determine whether to be represented by a union. The Board is also authorized to prevent and remedy unlawful acts, called unfair labor practices, by unions or employers. In 2006, NLRB expects to receive 29,000 unfair labor practice cases and 5,100 representation cases.

Fair and expeditious case resolution is NLRB's highest priority. The agency is more effective when it can achieve a voluntary resolution of meritorious cases, thereby reducing the need for time-consuming and costly litigation. NLRB will continue its goal of settling 95 percent of its unfair labor practice cases before they require a decision by the five-member Board; in 2004, the settlement rate was 96.1 percent. Through its performance goals, NLRB will continue to place a high priority on reducing its case backlog, especially on the oldest pending cases.

The 2006 Budget provides $252 million for NLRB's primary activities, including $208 million for pay and benefits, which make up 82 percent of the agency's budget. This amount also includes $8 million for information technology projects, such as automated case management, and the maintenance of key administrative systems.

NATIONAL TRANSPORTATION SAFETY BOARD

The National Transportation Safety Board (NTSB) is charged with determining the probable causes of transportation accidents and promoting transportation safety. The Board investigates accidents, conducts safety studies, issues recommendations, and evaluates the effectiveness of other Government agencies in preventing transportation accidents. The agency also coordinates Federal assistance to the families of victims of catastrophic domestic transportation accidents. The 2006 Budget provides funding for NTSB to investigate more than 2,500 accidents.

The 2006 Budget provides $77 million for salaries and expenses for the NTSB to fulfill its role of improving the Nation's transportation safety.

NUCLEAR REGULATORY COMMISSION

The Nuclear Regulatory Commission (NRC) regulates the commercial use of nuclear material in the United States. Its programs facilitate the Nation's safe and effective use of nuclear materials for civilian purposes. Consistent with the National Energy Policy (May 2001), the Budget provides NRC with the funds it needs to keep pace with the industry's interest in the renewal of nuclear power reactor licenses and the possible construction of new nuclear power plants. To date, NRC has renewed the operating licenses for 26 of the existing 104 nuclear power plants, and at least 18 more plants are under review or anticipated through 2005. NRC will continue to improve the effectiveness and efficiency of its review of designs for advanced reactors and to prepare for potential combined license applications. In addition to licensing, NRC also performs inspections on all existing nuclear power plants to ensure that safety issues are identified and resolved before they affect safe plant operation.

Since September 2001, NRC has strengthened its regulatory programs in support of the Nation's efforts to enhance homeland security and preparedness, including actions to improve security at the Nation's civilian nuclear power plants, nuclear fuel facilities, and other licensed users of radioactive materials. These efforts will continue in 2006.

NRC also expects to receive from the Department of Energy in 2005 an application to build a high-level waste repository at Yucca Mountain, Nevada. Upon receipt of the application, NRC's workload will expand significantly. This first-of-a-kind undertaking will involve conducting thorough safety and security evaluations, performance assessments, adjudicatory hearings, and site inspections. NRC will complete its review and reach a license decision in a timely manner.

To carry out these and other activities, the Budget proposes $702 million in 2006 for NRC. User fees from NRC licensees will recover approximately 90 percent of NRC's budget. Appropriations from the Nuclear Waste Fund will cover the costs of the high-level waste repository effort.

OFFICE OF PERSONNEL MANAGEMENT

The Office of Personnel Management (OPM) is the central human resources agency for the Federal Government and the primary policy agency supporting the President as he carries out his responsibilities for managing the Federal workforce. OPM oversees and safeguards merit system principles and veterans' preference and leads Federal agencies in the strategic management of their human capital. It also proposes and implements human resources management policy, and provides agencies with ongoing advice and technical assistance for implementing these policies and initiatives. Furthermore, OPM administers Federal employee benefits programs and manages personnel security and background checks for suitability and national security clearances.

The 2006 Budget requests $242 million to finance OPM's efforts to continue its leadership in the management and oversight of Government-wide human capital systems, initiatives and strategies, and administration of the Federal employees' benefit trust funds (retirement, health benefits, and life insurance).

Through the Strategic Management of Human Capital, one component of the President's Management Agenda, OPM is leading efforts to transform the way agencies manage the Federal workforce and enhance the value of the civil service. In this capacity, OPM provides agencies the tools to manage their workforce and implements new human resources management policies. In 2006, it will further streamline the Federal hiring process, decrease the time agencies use to hire new Federal employees, and change how Federal employees are paid and how their job performance is evaluated. Many of these new policies will be informed by lessons being learned from OPM's partnerships with the Departments of Homeland Security and Defense in setting up new human resources management systems in these two large agencies.

In addition, OPM is the managing partner for the Human Resources Line of Business, which includes five projects under the President's E-Government initiative: Recruitment One Stop, E-Training, E-Clearance, Enterprise Human Resources Integration, and E-Payroll. These initiatives will save the Government about $2.7 billion dollars over the next 10 years. For example, Recruitment One Stop reduces the complexity of Federal hiring and decreases the cost per hire. To date, the USAJOBS website has received over 100 million visits by citizens to locate and apply for Federal jobs. In addition, the E-Training project offers the convenience of web-based training to the Federal workforce, leading to savings in tuition and travel costs and by compressing learning time. Over 440,000 users have registered on the *GoLearn.gov* site and completed over 310,000 courses, since its inception. The E-Clearance project will reduce the time to process clearances and reduce duplicative investigative efforts, while the E-Payroll project alone will save the Government $1.1 billion dollars over the next decade by consolidating civilian payroll processing. The Enterprise Human Resources Integration project will reduce the need for paper personnel documents and improve the currency and accuracy of Federal human resources data. Recruitment One Stop and E-Clearance are funded fully now by user fees paid by agencies. The Administration anticipates that in 2006, E-Payroll will be completed and that E-Training will mature to a level that will allow it to operate on a fully fee-funded basis in 2007.

OPM will pay out $94 billion in benefits in 2006: $59 billion to more than 2.5 million Federal retirees, survivor annuitants, and other beneficiaries; $33 billion in health benefits for about 8 million enrollees and dependents; and about $3 billion in life insurance claims from policy holders. OPM will enhance the competitiveness and value of these programs in 2006 as it implements dental and vision coverage. These new offerings will join other recent additions to the suite of employee benefits, including Health Savings Accounts, Flexible Spending Accounts, and long-term care insurance, ensuring that the Federal Government continues to be a competitive and model employer that balances work and family needs and offers choices to employees as consumers.

OPM will continue its internal emergency preparedness planning and maintain its leadership in this arena Government-wide. It will continue to be a strong advocate for such planning in all Federal agencies.

POSTAL SERVICE

The Administration continues to support the enactment of comprehensive postal reform legislation that is consistent with the report of the President's Commission on the United States Postal Service and is guided by the principles of Best Governance Practices, Transparency, Flexibility, Accountability, and Self-Finance, as expressed by the President on December 8, 2003. The Postal Service provides an important service to the American people and the economy, and the Administration believes that the Postal Service should continue providing affordable and reliable universal service, while limiting exposure to taxpayers and operating appropriately in the competitive marketplace.

The Administration is committed to working with the Congress and postal stakeholders in early 2005 to bring about needed reforms that ensure that we have a healthy Postal Service for future generations. To this end, the Budget proposes to use the pension savings provided to the Postal Service by the Postal Civil Service Retirement System Funding Reform Act of 2003 (P.L. 108-18) that would otherwise be held in escrow in 2006 and beyond, to put the Postal Service on a path that fully funds its substantial retiree health benefits liabilities.

REGIONAL ECONOMIC DEVELOPMENT AGENCIES

The President's 2006 Budget proposes $78 million for three regional economic development agencies: the Appalachian Regional Commission, the Delta Regional Authority, and the Denali Commission. The President's proposal recognizes the constructive role of the regional economic development agencies in coordinating, planning, and fostering partnerships among the Federal, State, local, and private sectors. This coordination has a positive impact on the effectiveness and efficiency of Federal activities targeted to improve the quality of life and remedy severe and chronic economic distress within Appalachia, the Mississippi Delta area, and Alaska.

SECURITIES AND EXCHANGE COMMISSION

The Securities and Exchange Commission (SEC) protects investors and works to maintain fair, honest, and efficient markets. SEC's activities are critical to the health of our securities markets, which in turn are a vital part of our national economy. In calendar year 2004, the dollar volume of shares traded on the New York Stock Exchange and the Nasdaq Stock Market was almost $19 trillion. SEC oversees key participants in the securities world, including stock exchanges, broker-dealers, investment advisors, mutual funds, and public companies. During that year, SEC oversaw roughly 5,330 broker-dealers with approximately 96,000 branch offices and 664,100 registered representatives. SEC also oversaw an estimated 5,000 investment companies with 36,500 portfolios and $8.1 trillion in assets, and 8,550 investment advisers with $23 trillion in assets under management. In 2006, the President's Budget makes available $888 million for SEC.

Protecting Investors

SEC is the preeminent enforcement agency in investor markets. SEC works to prevent fraud and manipulation in securities markets by reviewing corporate disclosure data, investigating investor complaints, and monitoring exchanges for unusual activities. In addition, SEC recently created a new Office of Risk Assessment designed to improve the agency's ability to anticipate potential problem areas across the securities industry by focusing on early identification of new or resurgent forms of fraud and illegal or questionable activities. In 2004, SEC opened 973 investigations and initiated an estimated 610 enforcement actions against individuals and companies for violations of securities laws. Through these efforts, SEC was able to halt fraudulent activities quickly, seek civil penalties, and order violators to disgorge ill-gotten gains. Major enforcement actions in 2004 included:

- Seventeen actions against a variety of persons associated with mutual funds, including investment advisers, fund directors and brokers, and registered investment advisors. These actions involved late trading of mutual fund shares, abusive market timing arrangements, or both. As a result, SEC ordered $477 million in disgorgement and $457 million in penalties in abusive market timing and late-trading cases to be distributed to injured investors.
- Charges against former Enron and WorldCom executives whose allegedly fraudulent activities contributed to the collapse of the two companies and resulted in losses of billions of investor dollars.
- More than $246 million in penalties and disgorgements against New York Stock Exchange specialist trading firms for profiting from improperly executing customer trading orders. These activities resulted in customers receiving inferior prices or having orders that went unexecuted altogether.

The SEC is also an active participant in the President's Corporate Fraud Task Force, an interagency working group, led by the Department of Justice, designed to aggressively pursue joint civil and criminal actions against corporate wrong-doers.

Improving Transparency

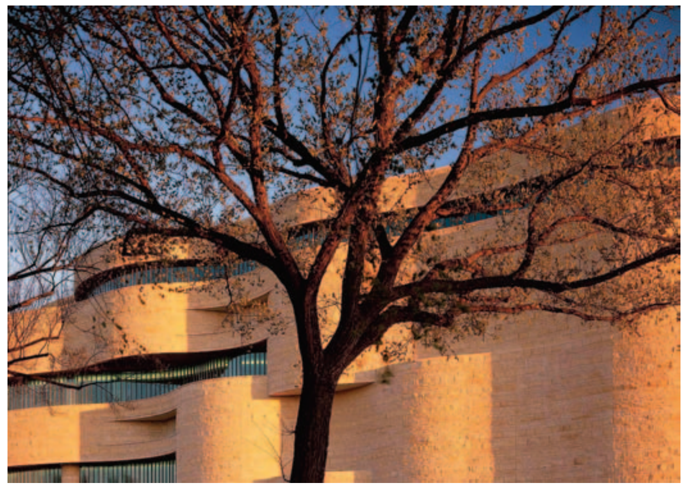
SEC works to ensure that all investors have access to certain basic facts about an investment and to prevent fraud and misrepresentation of those facts in securities markets. SEC requires that public companies submit detailed financial information, which it makes available to the public through its website (*www.sec.gov/edgar.shtml*).

SEC focuses on making sure that rules and regulations are clear for market participants, especially small business and individual investors. It is important to the health of the economy and the role that public companies play in job creation that the benefits of securities regulation outweigh the costs. SEC recently established the Advisory Committee on Smaller Public Companies to examine the benefits and costs of the Sarbanes-Oxley Act and other Federal securities laws on smaller public companies. For example, the advisory committee will review the impact of new internal control rules, financial reporting regulations, and corporate governance requirements to evaluate the net benefits to investors. Its members will also make recommendations to SEC to ensure that smaller companies are able to grow and succeed by accessing capital in the public markets.

SMITHSONIAN INSTITUTION

In 1829, James Smithson, a British scientist, bequeathed his estate to the American people for the "increase and diffusion of knowledge." Today, the Smithsonian Institution supports that goal through its operation of National museums and research institutes. Approximately two-thirds of the Smithsonian's funding is from direct Federal appropriations; the remainder comes from its endowment fund, private donations, business activities, and grants from other Federal agencies. In September 2004, the Smithsonian opened its eighteenth museum, the National Museum of the American Indian, dedicated to celebrating the culture of the Native peoples of the Western Hemisphere.

The 2006 Budget provides $615 million in Federal funding for the Smithsonian. Funds are provided to prepare for the July 2006 reopening of the newly renovated Patent Office Building, continue a major revitalization project at the National Museum of American History and continue ongoing improvements at the National Zoo. The Budget also accommodates lease costs, maintenance requirements and inflation-related adjustments across the Institution. Addressing these increases in a time of fiscal constraint requires that the Smithsonian continue to prioritize and seek out innovative cost-saving mechanisms.



The National Museum of the American Indian.

The Smithsonian continues to receive low ratings in many of the President's Management Agenda initiative areas, in part due to its long history of decentralization and unique management structure. However, the Institution continues to implement management reforms and best practices and has made marked progress in coordinating its information technology portfolio, assessing its future workforce needs, and linking its budget and senior staff compensation to performance measures.

TENNESSEE VALLEY AUTHORITY

The Tennessee Valley Authority (TVA) is a wholly owned agency of the United States Government created in 1933 by the TVA Act. TVA serves the people of the Tennessee Valley by providing power to the Tennessee Valley region, and supports navigation, flood control, and economic development in the area. TVA operates the largest public electric power system in the United States. It serves a population of more than eight million customers throughout most of Tennessee, northern Alabama, northeastern Mississippi, southwestern Kentucky, and small portions of Georgia, North Carolina, and Virginia. TVA is the exclusive wholesale power provider within this geographic region.

TVA's 2004 operating revenues totaled approximately $7.7 billion and its receipts and expenditures are included in the Federal Budget. TVA uses its internally generated proceeds to fund power generation and transmission operations as well as its resource stewardship programs. Annual expenditures of $87 million are devoted to TVA's resource stewardship program, which includes recreational activities, river stewardship, and navigation services. The remaining funds are devoted to power generation and transmission services.

TVA faces several operating and financial challenges posed by the dynamic business environment and changing electricity market in which it functions. Some of these challenges were addressed by the Consolidated Appropriations Act of 2005, which includes reforms that will assist TVA in moving toward a more efficient management and business structure. It also requires TVA to file statements with the Securities and Exchange Commission (SEC) to allow for more transparency of its business operations.


TVA transmission lines.

The 2006 Budget proposes additional reforms for TVA that will help position it for a more competitive market in the future, strengthen its financial position, and better serve its customers and investors. Proposals include legislation that would require TVA to register its debt securities with the SEC to provide investors with greater insight into the characteristics and risks inherent in TVA securities. In addition, the Budget proposes granting the Federal Energy Regulatory Commission (FERC) jurisdiction over TVA's transmission system, similar to that which FERC has over public utilities.

TVA continues to be burdened by its excessive debt level, currently estimated at $26 billion. The 2005 Budget included a goal endorsed by the TVA Board of reducing TVA's debt by $3 billion to $5 billion over the next 10 to 12 years. In order to increase TVA's financial flexibility and minimize its risk exposure, the Budget maintains that goal. In addition, fulfilling a commitment in the President's 2005 Budget, the 2006 Budget includes specific legislative language that clarifies the definition of TVA's debt. Some agency transactions, such as equipment lease/leasebacks and long-term power prepayment agreements, result in liabilities that make a claim on future agency resources and have risk similar to traditional debt, and therefore constitute a form of debt which should be counted toward TVA's statutory debt limitation. To ensure the integrity and usefulness of TVA's debt cap, the Administration is proposing legislation to ensure that these types of debt-like transactions are treated as debt and counted toward TVA's $30 billion statutory debt limit.

In 2000, TVA's Inspector General (IG) became Presidentially-appointed. TVA's IG funding level is subject to TVA Board approval and is derived directly from TVA revenues. All other Presidentially-appointed IGs are funded through annual appropriations. The Budget reproposes to appropriate funds for TVA's IG out of TVA's revenues beginning in 2006.