

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 1843

To downsize and improve the performance and accountability of the Federal Government.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 10 (legislative day, JANUARY 25), 1994

Mr. DOLE (for himself, Mrs. HUTCHISON, Mr. ROTH, Mr. MACK, Mr. SIMPSON, Mr. MURKOWSKI, Mr. PRESSLER, Mr. COATS, Mr. BENNETT, Mr. CRAIG, Mr. MCCAIN, Mr. NICKLES, Mr. DANFORTH, Mr. FAIRCLOTH, Mr. BROWN, Mr. SMITH, Mr. HELMS, and Mr. COVERDELL) introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

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## A BILL

To downsize and improve the performance and accountability of the Federal Government.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Government  
5 Downsizing, Performance, and Accountability Act of  
6 1994”.

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## **TITLE I—SAVING THE TAXPAYERS MONEY**

### **Subtitle A—Specific Spending Cuts**

#### **SEC. 1001. RESCISSION OF FUNDS FOR LEGISLATIVE BRANCH.**

(a) IN GENERAL.—Of the funds made available for each account in the Legislative Branch Appropriations Act, 1994 (Pub. L. 103–69), there is rescinded an amount equal to 7.5 percent of those funds provided and remaining available for obligation on the date of enactment of this Act.

(b) EXCEPTIONS.—Subsection (a) shall not apply to funds made available under the heading “Congressional Operations—House”.

#### **SEC. 1002. RESCISSION OF FUNDS FOR EXECUTIVE OFFICE OF THE PRESIDENT.**

(a) IN GENERAL.—Of the funds made available for each account under the heading “Executive Office of the President and Funds Appropriated to the President” in

1 the Treasury, Postal Service, and General Government  
2 Appropriations Act, 1994 (Pub. L. 103–123), there is re-  
3 scinded an amount equal to 7.5 percent of those funds  
4 provided and remaining available for obligation on the  
5 date of enactment of this Act.

6 (b) ADDITIONAL OFFICES.—Of the funds made avail-  
7 able for each account under the heading “Executive Office  
8 of the President” in the Departments of Veterans Affairs  
9 and Housing and Urban Development, and Independent  
10 Agencies Appropriations Act, 1994 (Pub. L. 103–124),  
11 there is rescinded an amount equal to 7.5 percent of those  
12 funds provided and remaining available for obligation on  
13 the date of enactment of this Act.

14 **SEC. 1003. PROVISIONS RELATING TO ANNUAL PAY AD-**  
15 **JUSTMENTS FOR MEMBERS OF CONGRESS.**

16 Effective as of December 31, 1994, paragraph (2) of  
17 section 601(a) of the Legislative Reorganization Act of  
18 1946 is amended—

19 (1) by striking “(2) Effective” and inserting  
20 “(2)(A) Subject to subparagraph (B), effective”; and  
21 (2) by adding at the end the following:

22 “(B) In no event shall the percentage adjustment tak-  
23 ing effect under subparagraph (A) in any calendar year  
24 exceed the percentage adjustment taking effect in such

1 calendar year under section 5303 of title 5, United States  
2 Code, in the rates of pay under the General Schedule.”.

3 **SEC. 1004. REDUCTION IN ADMINISTRATIVE EXPENSES.**

4 (a) RESCISSION.—

5 (1) IN GENERAL.—Of the amounts appro-  
6 priated in Public Laws 103–110, 103–111, 103–  
7 121, 103–127, 103–126, 103–187, 103–138, 103–  
8 112, 103–69, 103–122, 103–123, 103–124, and  
9 103–139 for expenses, the amount referred to in  
10 paragraph (2) is rescinded. The Director of the Of-  
11 fice of Management and Budget shall establish  
12 obligational limits for each agency and department  
13 to carry out this subsection.

14 (2) AMOUNT OF RESCISSION.—The amount re-  
15 ferred to in paragraph (1) is the amount of budget  
16 authority necessary to achieve a reduction in budget  
17 outlays of \$3,000,000,000 for fiscal year 1994 dur-  
18 ing the period beginning on the date of enactment  
19 of this Act and ending September 30, 1994. The Di-  
20 rector of the Office of Management and Budget  
21 shall determine the amount.

22 (b) BUDGET OBLIGATIONS.—

23 (1) FISCAL YEAR 1995.—The amount obligated  
24 by all departments and agencies for expenses during  
25 fiscal year 1995 shall not exceed an amount that re-

1 sults in budget outlays that the Director of the Of-  
2 fice of Management and Budget estimates equals the  
3 amount of budget outlays for all departments and  
4 agencies for expenses during fiscal year 1994 (with-  
5 out regard to this section), less \$6,000,000,000. The  
6 Director of the Office of Management and Budget  
7 shall establish obligational limits for each agency  
8 and department to carry out this paragraph.

9 (2) FISCAL YEAR 1996.—The amount obligated  
10 by all departments and agencies for expenses during  
11 fiscal year 1996 shall not exceed an amount that re-  
12 sults in budget outlays that the Director of the Of-  
13 fice of Management and Budget estimates equals the  
14 amount of budget outlays for all departments and  
15 agencies for expenses during fiscal year 1994 (with-  
16 out regard to this section), less \$6,000,000,000. The  
17 Director of the Office of Management and Budget  
18 shall establish obligational limits for each agency  
19 and department to carry out this paragraph.

20 (c) DEFINITION.—

21 (1) IN GENERAL.—For purposes of this section,  
22 the term “expenses” means the object classes identi-  
23 fied by the Office of Management and Budget in Ob-  
24 ject Classes 21–26 as follows:

1 (A) 21.0: Travel and Transportation of  
2 Persons.

3 (B) 22.0: Transportation of Things.

4 (C) 23.2: Rental Payments to Others.

5 (D) 23.3: Communications, Utilities, and  
6 Misc.

7 (E) 24.0: Printing and Reproduction.

8 (F) 25.1: Consulting Services.

9 (G) 25.2: Other Services.

10 (H) 26.0: Supplies and Materials.

11 (2) EXCEPTIONS.—The term “expenses” shall  
12 not include the following:

13 (A) The expenses of the Department of  
14 Defense.

15 (B) Object Class 25.2 “Other Services” ex-  
16 penses of the Atomic Energy Defense Environ-  
17 mental Restoration program that are appro-  
18 priated under the heading Department of En-  
19 ergy, Defense Environmental Restoration and  
20 Waste Management, Public Law 103–126.

21 (C) Object Class 25.2 “Other Services” ex-  
22 penses of the Superfund that are appropriated  
23 under the heading Environmental Protection  
24 Agency, Hazardous Substance Superfund, Pub-  
25 lic Law 103–124.



1 (D) Object Class 25.2 “Other Services” ex-  
2 penses of the Atomic Energy Defense Weapons  
3 Activities program that are appropriated under  
4 the heading Department of Energy, Atomic En-  
5 ergy Defense Activities, Weapons Activities,  
6 Public Law 103–126.

7 (E) Object Class 25.2 “Other Services” ex-  
8 penses of the National Aeronautic and Space  
9 Administration that are appropriated under the  
10 heading Independent Agencies, National Aero-  
11 nautics and Space Administration, Public Law  
12 103–124.

13 (F) Object Class 21.0 “Travel and Trans-  
14 portation of Persons” expenses of the Drug En-  
15 forcement Agency that are appropriated under  
16 the heading Department of Justice and Related  
17 Agencies, Drug Enforcement Administration,  
18 Salaries and Expenses, Public law 103–121.

19 (G) Object Class 21.0 “Travel and Trans-  
20 portation of Persons” and Object Class 26.0  
21 “Supplies and Materials” expenses of the Veter-  
22 ans Health Administration that are appro-  
23 priated under the heading Department of Vet-  
24 erans Affairs, Veterans Health Administration,  
25 Medical Care, Public Law 103–124.

1 **SEC. 1005. RESCISSION OF FUNDS FOR AGENCY FOR INTER-**  
2 **NATIONAL DEVELOPMENT, DEPARTMENT OF**  
3 **STATE, AND UNITED STATES INFORMATION**  
4 **AGENCY.**

5 (a) AID.—Of the funds made available under the  
6 heading “Agency for International Development—Devel-  
7 opment Assistance Fund” in appropriations Acts for fiscal  
8 year 1994 and prior fiscal years to carry out the provisions  
9 of sections 103 through 106 of the Foreign Assistance Act  
10 of 1961, \$160,000,000 is rescinded.

11 (b) DEPARTMENT OF STATE.—Of the funds made  
12 available under the heading “Department of State—Ad-  
13 ministration of Foreign Affairs—Diplomatic and Consular  
14 Programs” in the Departments of Commerce, Justice, and  
15 State, the Judiciary, and Related Agencies Appropriations  
16 Act, 1994 (Pub. L. 103–121), \$600,000 is rescinded.

17 (c) USIA.—

18 (1) SALARIES AND EXPENSES.—Of the funds  
19 made available under the heading “United States In-  
20 formation Agency—Salaries and Expenses” in the  
21 Departments of Commerce, Justice, and State, the  
22 Judiciary, and Related Agencies Appropriations Act,  
23 1994 (Pub. L. 103–121), \$3,000,000 is rescinded.

24 (2) NORTH/SOUTH CENTER.—Of the funds  
25 made available under the heading “United States In-  
26 formation Agency—North/South Center” in the De-

1       partments of Commerce, Justice, and State, the Ju-  
2       diciary, and Related Agencies Appropriations Act,  
3       1994 (Pub. L. 103–121), \$8,700,000 is rescinded.

4   **SEC. 1006. INCREASE IN THE FEDERAL CONSTRUCTION**  
5                   **CONTRACT AMOUNT REQUIREMENT UNDER**  
6                   **THE DAVIS-BACON ACT; TECHNICAL AND**  
7                   **CONFORMING AMENDMENTS.**

8       (a) INCREASE IN THRESHOLD AMOUNT.—Section  
9   1(a) of the Act of March 3, 1931 (commonly known as  
10   the “Davis-Bacon Act”) (40 U.S.C. 276a), is amended by  
11   striking “for every contract” and all that follows through  
12   “the geographical limits of the States of the Union or the  
13   District of Columbia,” and inserting the following: “for  
14   every contract—

15               “(1) in excess of \$100,000, to which the United  
16   States or the District of Columbia is a party, for  
17   construction, alteration, or repair, including painting  
18   and decorating, of public buildings or public works  
19   of the United States or the District of Columbia  
20   within the geographical limits of the 48 contiguous  
21   States of the United States, or the District of Co-  
22   lumbia; or

23               “(2) in excess of \$2,000, to which the United  
24   States or the District of Columbia is a party, for  
25   construction, alteration, or repair, including painting

1 and decorating, of public buildings or public works  
2 of the United States or the District of Columbia  
3 within the geographical limits of a State of the Unit-  
4 ed States that is not contiguous to any other State  
5 of the United States.”.

6 (b) PROHIBITION OF CONTRACT-SPLITTING.—Sec-  
7 tion 1 of the Act of March 3, 1931 (40 U.S.C. 276a),  
8 is further amended by adding at the end the following new  
9 subsections:

10 “(c) Except as provided in subsection (f), any person  
11 entering into a contract under which wages are to be de-  
12 termined in accordance with this Act shall not divide any  
13 project to which such contract applies, into two or more  
14 contracts of \$100,000 or less if the project would not have  
15 been so divided but for the purpose of avoiding application  
16 of this Act.

17 “(d) If the Secretary of Labor determines that a divi-  
18 sion of contracts in violation of subsection (c) has oc-  
19 curred, the Secretary may—

20 “(1) require that the contracts, grants, or other  
21 instruments providing Federal financing or assist-  
22 ance be amended so as to incorporate retroactively  
23 all the provisions that would have been required  
24 under this Act or other applicable prevailing wage  
25 statute; and

1           “(2) require the contracting or assisting agency,  
2           the recipient of Federal financing or assistance, or  
3           any other entity that awarded the contract or instru-  
4           ment providing Federal financing or assistance in  
5           violation of this section, to compensate the contrac-  
6           tor, the grantee, or other recipient of Federal assist-  
7           ance, as appropriate, for payment to each affected  
8           laborer and mechanic, of an amount equal to the dif-  
9           ference between the rate received and the applicable  
10          prevailing wage rate, with interest on wages due at  
11          the rate specified in section 6621(c) of the Internal  
12          Revenue Code of 1986, from the date the work was  
13          performed by such laborers and mechanics.

14          “(e) The Secretary shall make a determination that  
15          a violation of subsection (c) has occurred only where the  
16          Secretary has notified the agency or entity in question not  
17          later than 180 days after completion of construction on  
18          the project that an investigation will be conducted con-  
19          cerning an alleged violation of this subsection.

20          “(f) The provision of subsection (c) shall not apply  
21          to a contract described in paragraph (2) of subsection  
22          (a).”.

23          (c) TECHNICAL AMENDMENT APPLYING REFORM TO  
24          RELATED ACTS.—The Act of March 3, 1931 (40 U.S.C.

1 276a–276a–5) is further amended by adding at the end  
 2 the following new section:

3       “SEC. 8. (a) Except as provided in subsection (b),  
 4 no provision of any law requiring the payment of prevail-  
 5 ing wage rates as determined by the Secretary in accord-  
 6 ance with this Act shall apply to contracts for construc-  
 7 tion, alteration, or repair valued at \$100,000 or less, or  
 8 in the case of rent supplement assistance or other assist-  
 9 ance for which the instrument of Federal financing or as-  
 10 sistance does not have an aggregate dollar amount, where  
 11 the assisted project is in the amount of \$100,000 or less.

12       “(b) The provision of subsection (a) shall not apply  
 13 to a contract described in section 1(a)(2).”.

14       (d) CONFORMING AMENDMENT TO THE COPELAND  
 15 ACT.—The Act of June 13, 1934, (commonly known as  
 16 the Copeland Act) (40 U.S.C. 276c), is amended by add-  
 17 ing at the end thereof the following: “Except for a con-  
 18 tract described in section 1(a)(2) of the Act of March 3,  
 19 1931 (40 U.S.C. 276a(a)(2)), this section shall not apply  
 20 to any contract or project that is exempted by its size from  
 21 the application of such Act.”.

22 **SEC. 1007. REPEAL OF PROHIBITION ON USE OF DAVIS-**  
 23 **BACON HELPERS.**

24       Section 103 of Public Law 103–112 shall not apply  
 25 to the implementation or administration of the final or

1 proposed regulations referred to in the first sentence of  
2 section 303 of Public Law 102–27 with respect to the uti-  
3 lization of categories of helpers on Federal construction  
4 projects subject to the Act of March 31, 1931 (commonly  
5 known as the Davis-Bacon Act; 40 U.S.C. 276a et seq.),  
6 or any other regulation that would have the same or simi-  
7 lar effect of such final or proposed regulations.

8 **SEC. 1008. REDUCTION IN FUNDING FOR ARTS AND HUMAN-**  
9 **ITIES PROGRAMS.**

10 (a) NATIONAL ENDOWMENT FOR THE ARTS.—Sec-  
11 tion 11(d)(1) of the National Foundation on the Arts and  
12 the Humanities Act of 1965 (20 U.S.C. 960(d)(1)) is  
13 amended by striking subparagraphs (A), (B), and (C), and  
14 inserting the following:

15 “(A) for fiscal year 1994, \$166,823,000,

16 “(B) for fiscal year 1995, \$163,487,000 or an  
17 amount equal to 98 percent of the total amount ap-  
18 propriated for fiscal year 1994 to carry out the ac-  
19 tivities of the Endowment, whichever is less,

20 “(C) for fiscal year 1996, \$160,217,000 or an  
21 amount equal to 98 percent of the total amount ap-  
22 propriated for fiscal year 1995 to carry out the ac-  
23 tivities of the Endowment, whichever is less,

24 “(D) for fiscal year 1997, \$157,012,000 or an  
25 amount equal to 98 percent of the total amount ap-

1       appropriated for fiscal year 1996 to carry out the ac-  
2       tivities of the Endowment, whichever is less,

3               “(E) for fiscal year 1998, \$153,872,000 or an  
4       amount equal to 98 percent of the total amount ap-  
5       propriated for fiscal year 1997 to carry out the ac-  
6       tivities of the Endowment, whichever is less, and

7               “(F) for fiscal year 1999, not more than the  
8       amount equal to the total amount appropriated for  
9       fiscal year 1999 to carry out the activities of the En-  
10      dowment.”.

11      (b) NATIONAL ENDOWMENT FOR THE HUMAN-  
12      ITIES.—Section 11(d)(2) of the National Foundation on  
13      the Arts and the Humanities Act of 1965 (20 U.S.C.  
14      960(d)(2)) is amended by striking subparagraphs (A),  
15      (B), and (C), and inserting the following:

16              “(A) for fiscal year 1994, \$173,941,000,

17              “(B) for fiscal year 1995, \$170,462,000 or an  
18      amount equal to 98 percent of the total amount ap-  
19      propriated for fiscal year 1994 to carry out the ac-  
20      tivities of the Endowment, whichever is less,

21              “(C) for fiscal year 1996, \$167,053,000 or an  
22      amount equal to 98 percent of the total amount ap-  
23      propriated for fiscal year 1995 to carry out the ac-  
24      tivities of the Endowment, whichever is less,



1           “(D) for fiscal year 1997, \$163,712,000 or an  
2           amount equal to 98 percent of the total amount ap-  
3           propriated for fiscal year 1996 to carry out the ac-  
4           tivities of the Endowment, whichever is less,

5           “(E) for fiscal year 1998, \$160,438,000 or an  
6           amount equal to 98 percent of the total amount ap-  
7           propriated for fiscal year 1997 to carry out the ac-  
8           tivities of the Endowment, whichever is less, and

9           “(F) for fiscal year 1999, not more than the  
10          amount equal to the total amount appropriated for  
11          fiscal year 1998 to carry out the activities of the En-  
12          dowment.”.

13          (c) SMITHSONIAN INSTITUTION.—Notwithstanding  
14          any other law, the funds appropriated for the Smithsonian  
15          Institution for fiscal year 1995, 1996, 1997, or 1998 may  
16          not be obligated in an amount that exceeds 98 percent  
17          of the funds appropriated for such purpose for the preced-  
18          ing fiscal year, and the funds appropriated for the Smith-  
19          sonian Institution for fiscal year 1999 may not be obli-  
20          gated in an amount that exceed the funds appropriated  
21          for such purpose in fiscal year 1998.

22          (d) NATIONAL GALLERY OF ART.—Notwithstanding  
23          any other law, the funds appropriated for the National  
24          Gallery of Art for fiscal year 1995, 1996, 1997, or 1998  
25          may not be obligated in an amount that exceeds 98 per-

1 cent of the funds appropriated for such purpose for the  
2 preceding fiscal year, and the funds appropriated for the  
3 National Gallery of Art for fiscal year 1999 may not be  
4 obligated in an amount that exceed the funds appropriated  
5 for such purpose in fiscal year 1998.

6 (e) CORPORATION FOR PUBLIC BROADCASTING.—  
7 Notwithstanding any other law, the funds appropriated for  
8 the Corporation for Public Broadcasting for fiscal year  
9 1995, 1996, 1997, or 1998 may not be obligated in an  
10 amount that exceeds 98 percent of the funds appropriated  
11 for such purpose for the preceding fiscal year, and the  
12 funds appropriated for the Corporation for Public Broad-  
13 casting for fiscal year 1999 may not be obligated in an  
14 amount that exceed the funds appropriated for such pur-  
15 pose in fiscal year 1998.

16 **SEC. 1009. FEDERAL BUILDING MORATORIUM.**

17 (a) DEFINITION OF FEDERAL AGENCY.—As used in  
18 this section, the term “Federal agency” includes—

19 (1) any executive agency (as defined in section  
20 105 of title 5, United States Code);

21 (2) any executive department (as described in  
22 section 101 of such title);

23 (3) any Government corporation (as defined in  
24 section 103 of such title);

25 (4) the Executive Office of the President;

1           (5) any independent establishment (as defined  
2       in section 104 of such title);

3           (6) any court of the United States;

4           (7) any military department of the United  
5       States;

6           (8) the Senate and the House of Representa-  
7       tives; and

8           (9) any other division of the Federal Govern-  
9       ment.

10       (b) MORATORIUM.—

11           (1) IN GENERAL.—Subject to the other provi-  
12       sions of this subsection, during the 1-year period be-  
13       ginning on the date of enactment of this Act—

14           (A) no Federal agency shall enter into a  
15       contract for the construction of a new building  
16       or the lease of a building or part of a building;  
17       and

18           (B) no funds shall be appropriated for a  
19       contract for the construction of a new building  
20       or the lease of a building or a part of a building  
21       by a Federal agency.

22           (2) PENDING PROJECTS.—The limitation im-  
23       posed in paragraph (1) shall not apply to—

24           (A) a contract for the construction or lease  
25       of a building entered into before the date of en-

1           actment of this Act without regard to whether  
2           the construction or lease term has commenced;

3           (B) a lease that, by the terms of the  
4           lease—

5                   (i) is scheduled to expire not later  
6                   than 1 year after the date of enactment of  
7                   this Act; and

8                   (ii) has an option for renewal on expi-  
9                   ration;

10           (C) a contract for the construction of an  
11           addition to a Federal building in existence on  
12           the date of enactment of this Act; or

13           (D) a contract for the rehabilitation of a  
14           Federal building in existence on the date of en-  
15           actment of this Act.

16           (3) WAIVER.—The President may waive the re-  
17           quirements of this subsection if the President deter-  
18           mines that the construction or lease of a building by  
19           a Federal agency is necessary—

20                   (A) to ensure national security;

21                   (B) to promote an essential national prior-  
22                   ity; or

23                   (C) to respond to a national emergency.

24           (4) EXCEPTION.—

1 (A) IN GENERAL.—This subsection shall  
 2 not apply to the construction of a building pri-  
 3 marily used for education.

4 (B) LIMITATION.—This paragraph shall  
 5 not apply to a building used primarily for ad-  
 6 ministrative or other nonteaching-related as-  
 7 pects of education.

8 (c) RESCISSION.—Of the obligational authority for  
 9 new construction and acquisition in the “Federal Build-  
 10 ings Fund” made available in the Treasury, Postal Serv-  
 11 ice, General Government Appropriations Act, 1994 (Public  
 12 Law 103–123), \$150,000,000 is rescinded.

13 **SEC. 1010. RESCISSION OF FUNDS FOR APPALACHIAN RE-**  
 14 **GIONAL COMMISSION.**

15 Of the funds made available under the heading “Ap-  
 16 palachian Regional Commission” in the Energy and Water  
 17 Development Appropriations Act, 1994 (Pub. L. 103–  
 18 126), \$59,000,000 is rescinded.

19 **SEC. 1011. RESCISSION OF FUNDS FOR LEGAL SERVICES**  
 20 **CORPORATION.**

21 Of the funds made available under the heading  
 22 “Legal Services Corporation—Payment to the Legal Serv-  
 23 ices Corporation” in the Departments of Commerce, Jus-  
 24 tice, and State, the Judiciary, and Related Agencies Ap-  
 25 propriations Act, 1994 (Pub. L. 103–121), there is re-

1 scinded an amount equal to 25 percent of those funds pro-  
2 vided and remaining available for obligation on the date  
3 of enactment of this Act.

4 **SEC. 1012. COMMUNITY DEVELOPMENT BLOCK GRANT.**

5 (a) RESCISSION.—Of the amounts appropriated in  
6 title II of the Departments of Veterans Affairs and Hous-  
7 ing and Urban Development, and Independent Agencies  
8 Appropriations Act, 1994 under the heading “COMMUNITY  
9 PLANNING AND DEVELOPMENT”, \$180,000,000 are here-  
10 by rescinded.

11 (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
12 103 of the Housing and Community Development Act of  
13 1974 (42 U.S.C. 5303) is amended in the second sentence  
14 by striking “\$4,000,000,000” and all that follows before  
15 the period and inserting the following: “not to exceed  
16 \$4,220,000,000 for each of fiscal years 1995 through  
17 1998”.

18 **SEC. 1013. RESCISSION OF FUNDS FROM TENNESSEE VAL-**  
19 **LEY AUTHORITY FUND.**

20 Of the funds in the Area and Regional Account of  
21 the Tennessee Valley Authority Fund, \$23,000,000 is re-  
22 scinded.

1 **SEC. 1014. SUBSTITUTION OF VOUCHER ASSISTANCE FOR**  
2 **PUBLIC HOUSING NEW CONSTRUCTION.**

3 (a) TERMINATION OF ASSISTANCE FOR CONSTRUC-  
4 TION OF PUBLIC HOUSING.—

5 (1) LOAN AUTHORITY.—After the date of the  
6 enactment of this Act, the Secretary of Housing and  
7 Urban Development may not enter into any new  
8 commitment to make loans under section 4 of the  
9 United States Housing Act of 1937 to public hous-  
10 ing agencies for the development or acquisition of  
11 public housing projects by such agencies.

12 (2) CONTRIBUTION AUTHORITY.—After the  
13 date of the enactment of this Act, the Secretary of  
14 Housing and Urban Development may not enter into  
15 any new contract to make contributions under sec-  
16 tion 5 of the United States Housing Act of 1937 to  
17 public housing agencies for the development or ac-  
18 quisition of public housing projects by such agencies.

19 (3) EXISTING COMMITMENTS.—After the date  
20 of the enactment of this Act, the Secretary of Hous-  
21 ing and Urban Development may make contributions  
22 and loans for the development or acquisition of pub-  
23 lic housing projects only pursuant to administrative  
24 reservations to make such loans or contracts for  
25 such contributions entered into on or before the date  
26 of the enactment of this Act.

1           (4) INAPPLICABILITY TO INDIAN HOUSING.—

2           The provisions of this section shall not apply to pub-  
3           lic housing developed pursuant to a contract between  
4           the Secretary of Housing and Urban Development  
5           and an Indian housing authority.

6           (5) DEFINITIONS.—For purposes of this sec-  
7           tion, the terms “Indian housing authority”,  
8           “project”, “public housing”, and “public housing  
9           agency” have the meanings given the terms in sec-  
10          tion 3(b) of the United States Housing Act of 1937.

11          (b) PERMISSIBLE USES.—Vouchers for rental assist-  
12          ance provided with the amounts made available under this  
13          section may be used for the rental of dwelling units or  
14          costs of residency, as determined by qualified voucher re-  
15          cipients.

16          (c) RESCISSION AND TRANSFER OF FUNDS.—Of the  
17          funds made available under the heading “Department of  
18          Housing and Urban Development—Housing Programs—  
19          Annual Contributions for Assisted Housing” in the De-  
20          partments of Veterans Affairs and Housing and Urban  
21          Development, and Independent Agencies Appropriations  
22          Act, 1994 (Pub. L. 103–124)—

23                 (1) \$367,000,000 is rescinded from the total  
24                 amount under such heading and from the amount



1 specified under such heading for the development or  
2 acquisition cost of public housing; and

3 (2) \$230,701,000 of the amount specified under  
4 such heading for the development or acquisition cost  
5 of public housing shall be reallocated to and merged  
6 with the amount specified under such heading for  
7 the housing voucher program under section 8(o) of  
8 the United States Housing Act of 1937.

9 **SEC. 1015. RESCISSION OF FUNDS FOR EDA.**

10 Of the funds made available under the heading “Eco-  
11 nomic Development Administration—Economic Develop-  
12 ment Assistance Programs” in the Departments of Com-  
13 merce, Justice, and State, the Judiciary, and Related  
14 Agencies Appropriations Act, 1994 (Pub. L. 103–121),  
15 \$40,000,000 is rescinded.

16 **SEC. 1016. ENHANCEMENT OF REEMPLOYMENT PROGRAMS**  
17 **FOR FEDERAL EMPLOYEES DISABLED IN THE**  
18 **PERFORMANCE OF DUTY.**

19 (a) Section 8104 of title 5, United States Code, is  
20 amended—

21 (1) by striking the comma after “employment”  
22 and by striking “other than employment undertaken  
23 pursuant to such rehabilitation” from subsection (b);  
24 and

25 (2) by adding the following new subsection (c):

1       “(c) The Secretary of Labor, as part of the vocational  
2 rehabilitation effort, may assist permanently disabled indi-  
3 viduals in seeking and/or obtaining employment. The Sec-  
4 retary may reimburse an employer (including a Federal  
5 employer), who was not the employer at the time of injury  
6 and who agrees to employ a disabled beneficiary, for por-  
7 tions of the salary paid by such employer to the reem-  
8 ployed, disabled beneficiary. Any such sums shall be paid  
9 from the Employees’ Compensation Fund.”.

10       (b) The Secretary of Labor is authorized to expand  
11 the Federal Employees’ Compensation Act Periodic Roll  
12 Management Project to all offices of the Office of Work-  
13 ers’ Compensation Program of the Department of Labor.

14       (c) The provisions of, and amendments made by, sub-  
15 sections (a) and (b) of this section shall be effective on  
16 the date of enactment.

17 **SEC. 1017. REDUCTION IN FUNDING FOR INTERNATIONAL**  
18 **DEVELOPMENT ASSOCIATION.**

19       (a) IN GENERAL.—Section 526 of the Foreign Oper-  
20 ations, Export Financing, and Related Programs Appro-  
21 priations Act, 1994 (Pub. L. 103–87) is amended by in-  
22 serting before the period at the end “, of which not more  
23 than \$957,142,857 shall be available for fiscal year 1994,  
24 and not more than \$957,142,857 shall be available for fis-  
25 cal year 1995”.

1 (b) RESCISSION OF FUNDS.—Of the funds made  
 2 available under the heading “Contribution to the Inter-  
 3 national Development Association” in the Foreign Oper-  
 4 ations, Export Financing, and Related Programs Appro-  
 5 priations Act, 1994 (Pub. L. 103–87), \$67,189,143 is re-  
 6 scinded.

7 **SEC. 1018. FEDERAL-PRIVATE COGENERATION OF ELEC-**  
 8 **TRICITY.**

9 Section 804(2)(B) of the National Energy Conserva-  
 10 tion Policy Act (42 U.S.C. 8287c(2)(B)) is amended by  
 11 striking “, excluding any cogeneration process for other  
 12 than a federally owned building or buildings or other fed-  
 13 erally owned facilities.”.

14 **SEC. 1019. SECTION 235 MORTGAGE REFINANCING.**

15 Section 235(r) of the National Housing Act is  
 16 amended—

17 (1) in paragraph (2)(C), by inserting after “re-  
 18 financed” the following: “, plus the costs incurred in  
 19 connection with the refinancing as described in para-  
 20 graph (4)(B) to the extent that the amount for those  
 21 costs is not otherwise included in the interest rate  
 22 as permitted by subparagraph (E) or paid by the  
 23 Secretary as authorized by paragraph (4)(B)”;

24 (2) in paragraph (4)—

1 (A) in the matter preceding subparagraph  
 2 (A), by inserting after “otherwise)” the follow-  
 3 ing: “and the mortgagee (with respect to the  
 4 amount described in subparagraph (A))”; and

5 (B) in subparagraph (A), by inserting after  
 6 “mortgagor” the following: “and the mortga-  
 7 gee”; and

8 (3) by amending paragraph (5) to read as fol-  
 9 lows:

10 “(5) The Secretary shall use amounts of budget au-  
 11 thority recaptured from assistance payments contracts re-  
 12 lating to mortgages that are being refinanced for assist-  
 13 ance payments contracts with respect to mortgages in-  
 14 sured under this subsection. The Secretary may also make  
 15 such recaptured amounts available for incentives under  
 16 paragraph (4)(A) and the costs incurred in connection  
 17 with the refinancing under paragraph (4)(B). For pur-  
 18 poses of subsection (c)(3)(A), the amount of recaptured  
 19 budget authority that the Secretary commits for assist-  
 20 ance payments contracts relating to mortgages insured  
 21 under this subsection and for amounts paid under para-  
 22 graph (4) shall not be construed as unused.”.

23 **SEC. 1020. REDUCTION IN WORLD BANK FUNDING.**

24 Of the funds made available under the heading “Con-  
 25 tribution to the International Bank for Reconstruction

1 and Development” in the Foreign Operations, Export Fi-  
 2 nancing, and Related Programs Appropriations Act, 1994  
 3 (Pub. L. 103–87)—

4 (1) \$27,910,500 provided for paid-in capital is  
 5 rescinded; and

6 (2) \$902,439,500 provided for callable capital  
 7 is rescinded.

8 **SEC. 1021. REDUCTION IN FUNDING FOR UN PEACE KEEP-**  
 9 **ING.**

10 Of the funds made available for necessary expenses  
 11 to carry out the provisions of section 551 of the Foreign  
 12 Assistance Act of 1961 in the Foreign Operations, Export  
 13 Financing, and Related Programs Appropriations Act,  
 14 1994 (Pub. L. 103–87), \$13,123,000 is rescinded.

15 **Subtitle B—Reducing the Size of**  
 16 **Government**

17 **SEC. 1101. SALE OF THE ALASKA POWER ADMINISTRATION.**

18 (a) SHORT TITLE.—This section may be cited as the  
 19 “Alaska Power Administration Sale Authorization Act”.

20 (b) SNETTISHAM.—

21 (1) AUTHORITY TO SELL.—The Secretary of  
 22 Energy may sell the Snettisham Hydroelectric  
 23 Project (referred to in this section as “Snettisham”)  
 24 to the State of Alaska (referred to in this section as  
 25 the “Authority”), in accordance with the terms of

1       this section and the February 10, 1989, Snettisham  
2       Purchase Agreement between the Alaska Power Ad-  
3       ministration of the United States Department of  
4       Energy and the Alaska Power Authority.

5           (2) AUTHORITY TO SELL TO MUNICIPALITY OF  
6       ANCHORAGE.—The Secretary of Energy may sell the  
7       Eklutna Hydroelectric Project (referred to in this  
8       section as “Eklutna”) to the municipality of Anchor-  
9       age doing business as Municipal Light and Power,  
10      the Chugach Electric Association, Inc., and the  
11      Matanuska Electric Association, Inc. (referred to in  
12      this section as “Eklutna Purchasers”) in accordance  
13      with the August 2, 1989, Eklutna Purchase Agree-  
14      ment between the United States Department of En-  
15      ergy and the Eklutna Purchasers.

16          (3) ASSISTANCE.—The heads of other affected  
17      Federal departments and agencies, including the  
18      Secretary of the Interior, shall assist the Secretary  
19      of Energy in implementing the sales authorized by  
20      this section.

21          (4) DISPOSITION OF PROCEEDS.—The Sec-  
22      retary of Energy shall deposit sale proceeds in the  
23      Treasury of the United States to the credit of mis-  
24      cellaneous receipts.

1           (5) AUTHORITY TO MAKE EXPENDITURES.—

2       There are authorized to be expended such sums as  
3       are necessary to prepare or acquire Eklutna and  
4       Snettisham assets for sale and conveyance, such  
5       preparations to provide sufficient section to ensure  
6       the beneficial use, enjoyment, and occupancy to the  
7       purchasers of the assets to be sold.

8       (c) EXEMPTION FROM FEDERAL POWER ACT RE-  
9       QUIREMENTS.—

10           (1) EXEMPTIONS.—After the sales authorized  
11       by this section take place, Eklutna and Snettisham,  
12       including future modifications, shall continue to be  
13       exempt from the requirements of the Federal Power  
14       Act (16 U.S.C. 791a), including its requirements  
15       with respect to applications, permits, licenses, and  
16       fees, unless a future modification of Eklutna or  
17       Snettisham affects Federal lands not used for the 2  
18       projects when this section takes effect. The fore-  
19       going exemptions are subject to the Memorandum of  
20       Agreement entered into between the State of Alaska,  
21       the Eklutna Purchasers, the Authority, and Federal  
22       fish and wildlife agencies regarding the protection,  
23       mitigation of, damages to, and enhancement of fish  
24       and wildlife, dated August 7, 1991, remaining in full  
25       force and effect. Nothing in this section or the Fed-

1       eral Power Act preempts the State of Alaska from  
2       carrying out the responsibilities and authorities of  
3       the Memorandum of Agreement.

4           (2) JURISDICTION.—The District Court of the  
5       United States for the District of Alaska has jurisdic-  
6       tion to review decisions made under the Memoran-  
7       dum of Agreement and enforce the provisions of the  
8       Memorandum of Agreement, including the remedy of  
9       specific performance. An action seeking review of a  
10      fish and wildlife program of the Governor of Alaska  
11      under the Memorandum of Agreement or challenging  
12      actions of any of the parties to the Memorandum of  
13      Agreement prior to the adoption of the program  
14      shall be brought within 90 days of the time the pro-  
15      gram is adopted by the Governor of Alaska, or be  
16      barred. An action seeking review of implementation  
17      of the program shall be brought within 90 days of  
18      the challenged act implementing the program, or be  
19      barred.

20           (3) RIGHTS-OF-WAY.—With respect to Eklutna  
21      lands described in Exhibit A of the Eklutna Pur-  
22      chase Agreement:

23           (A) The Secretary of the Interior shall  
24      issue rights-of-way to the Alaska Power Admin-



1           istration for subsequent reassignment to the  
2           Eklutna Purchasers—

3                   (i) at no cost to the Eklutna Pur-  
4                   chasers;

5                   (ii) to remain effective for a period  
6                   equal to the life of Eklutna as extended by  
7                   improvements, repairs, renewals, or re-  
8                   placements; and

9                   (iii) sufficient for operation, mainte-  
10                  nance, repair, and replacement of, and ac-  
11                  cess to, Eklutna facilities located on mili-  
12                  tary lands and lands managed by the Bu-  
13                  reau of Land Management, including land  
14                  selected by the State of Alaska.

15           (B) If the Eklutna Purchasers subse-  
16           quently sell or transfer Eklutna to private own-  
17           ership, the Bureau of Land Management may  
18           assess reasonable and customary fees for con-  
19           tinued use of the rights-of-way on lands man-  
20           aged by the Bureau of Land Management and  
21           military lands in accordance with current law.

22           (C) Fee section to lands at Anchorage  
23           Substation shall be transferred to Eklutna Pur-  
24           chasers at no additional cost if the Secretary of  
25           the Interior determines that pending claims to

1           and selections of those lands are invalid or re-  
2           linquished.

3           (D) With respect only to approximately  
4           853 acres of Eklutna lands identified in para-  
5           graphs 1.a., b., and c. of Exhibit A of the  
6           Eklutna Purchase Agreement, the State of  
7           Alaska may select and the Secretary of the In-  
8           terior shall convey to the State improved lands  
9           under the selection entitlements in section 6(a)  
10          of the Act of July 7, 1958 (Pub. L. 85-508)  
11          and the North Anchorage Land Agreement of  
12          January 31, 1983. This conveyance is subject  
13          to the rights-of-way provided to the Eklutna  
14          Purchasers under paragraph (1).

15          (4) AUTHORITY TO SELECT LANDS.—With re-  
16          spect to the approximately 2,671 acres of  
17          Snettisham lands identified in paragraphs 1.a., and  
18          b. of Exhibit A of the Snettisham Purchase Agree-  
19          ment, the State of Alaska may select and the Sec-  
20          retary of the Interior shall convey to the State im-  
21          proved lands under the selection entitlements in sec-  
22          tion 6(a) of the Act of July 7, 1958 (Pub. L. 85-  
23          508).

24          (5) PROHIBITIONS.—Federal lands conveyed to  
25          the State of Alaska as part of, or in support of, the

1 Snettisham transfer are specifically prohibited from  
2 being included in the Alaska Mental Health Ena-  
3 bling Act (70 Stat. 709) or any reconstitution there-  
4 of, under the Alaska Mental Health Trust Lands  
5 Settlement Act (Secs. 54–58, Ch. 66, Alaska Session  
6 Laws 1991), or any other law.

7 (6) INTERNAL REVENUE CODE OF 1986.—For  
8 purposes of section 147(d) of the Internal Revenue  
9 Code of 1986, “1st use” of Snettisham shall be con-  
10 sidered to occur pursuant to acquisition of the prop-  
11 erty by or on behalf of the State of Alaska.

12 (7) CLOSING OF ALASKA POWER ADMINISTRA-  
13 TION.—No later than 1 year after both of the sales  
14 authorized in subsection (b) have occurred, as meas-  
15 ured by the transaction dates, stipulated in the pur-  
16 chase agreements, the Secretary of Energy shall—

17 (A) complete the business of, and close  
18 out, the Alaska Power Administration;

19 (B) prepare and submit to Congress a re-  
20 port documenting the sales; and

21 (C) return unused balances of funds appro-  
22 priated for the Alaska Power Administration to  
23 the Treasury of the United States.

24 (8) REPEAL OF ACT OF JULY 31, 1950.—The  
25 Act of July 31, 1950 (64 Stat. 382) is repealed ef-

1       fective on the date, as determined by the Secretary  
2       of Energy, when all Eklutna assets have been con-  
3       veyed to the Eklutna Purchasers.

4           (9) REPEAL OF SECTION 204 OF THE FLOOD  
5       CONTROL ACT OF 1962.—Section 204 of the Flood  
6       Control Act of 1962 (76 Stat. 1193) is repealed ef-  
7       fective on the date, as determined by the Secretary  
8       of Energy, when all Snettisham assets have been  
9       conveyed to the Authority.

10          (10) EFFECTIVE DATE OF AMENDMENTS.—As  
11       of the later of the 2 dates determined in subsections  
12       (f) and (g), section 302(a) of the Department of En-  
13       ergy Organization Act (42 U.S.C. 7152(a)) is  
14       amended—

15           (A) in paragraph (1) by striking subpara-  
16       graph (C) and redesignating subparagraphs  
17       (D), (E), and (F) as subparagraphs (C), (D),  
18       and (E), respectively; and

19           (B) in paragraph (2) by striking “and the  
20       Alaska Power Administration” and inserting  
21       “and” after “Southwestern Power Administra-  
22       tion,”.

23          (11) REPEAL OF ACT OF AUGUST 9, 1955.—The  
24       Act of August 9, 1955, concerning water resources  
25       investigations in Alaska (69 Stat. 618), is repealed.

1           (12) DISCLAIMER.—The sales of Eklutna and  
2       Snettisham under this section are not considered  
3       disposal of Federal surplus property under the Fed-  
4       eral Property and Administrative Services Act of  
5       1949 (40 U.S.C. 484) or the Act of October 3,  
6       1944, popularly referred to as the “Surplus Property  
7       Act of 1944” (50 U.S.C. App. 1622).

8       **SEC. 1102. RESCISSION OF FUNDS FOR NOAA RESEARCH**  
9                               **FLEET.**

10       Of the funds made available under the heading “Na-  
11       tional Oceanic And Atmospheric Administration—Fleet  
12       Modernization, Shipbuilding and Conversion” in the De-  
13       partments of Commerce, Justice, and State, the Judiciary,  
14       and Related Agencies Appropriations Act, 1994 (Pub. L.  
15       103–121), \$77,064,000 is rescinded.

16       **SEC. 1103. CLOSURE OF VA SUPPLY DEPOTS.**

17       Notwithstanding the provisions of section 510(b) and  
18       8121 of title 38, United States Code, the Secretary of Vet-  
19       erans Affairs shall phase out and close the Department  
20       of Veterans Affairs’ Supply Depots, located at Somerville,  
21       New Jersey, Hines, Illinois, and Bell, California over 2  
22       fiscal years, beginning in fiscal year 1994 and ending in  
23       fiscal year 1995, and shall transfer from the Department  
24       of Veterans Affairs Revolving Supply Fund to the General

1 Fund of the Treasury, \$45,000,000 by September 30,  
2 1994, and \$44,000,000 by September 30, 1995.

3 **SEC. 1104. TERMINATION STATE JUSTICE INSTITUTE.**

4 (a) IN GENERAL.—The State Justice Institute Act  
5 of 1984 (42 U.S.C. 10701 et seq.) is repealed.

6 (b) RESCISSION OF FUNDS.—Of the funds made  
7 available under the heading “State Justice Institute—Sal-  
8 aries and Expenses” in the Departments of Commerce,  
9 Justice, and State, the Judiciary, and Related Agencies  
10 Appropriations Act, 1994 (Pub. L. 103–121), \$6,775,000  
11 is rescinded.

12 **SEC. 1105. REPEAL OF THE NATIONAL SMALL BUSINESS**  
13 **TREE PLANTING PROGRAM.**

14 Section 24 of the Small Business Act (15 U.S.C. 651)  
15 is hereby repealed.

16 **SEC. 1106. CONTRACTING FOR PERFORMANCE OF CERTAIN**  
17 **NON-CORE FUNCTIONS OF THE DEPARTMENT**  
18 **OF DEFENSE.**

19 (a) EXCEPTION TO TEMPORARY PROHIBITION.—Sec-  
20 tion 313(b) of Public Law 103–160 is amended—

21 (1) by striking out “or” at the end of para-  
22 graph (1);

23 (2) by striking out the period at the end of  
24 paragraph (2) and inserting in lieu thereof “; or”;  
25 and

1 (3) by adding at the end the following new  
2 paragraph:

3 “(3) a contract for data processing, billing, or  
4 payroll services or for any similar services des-  
5 ignated by the Secretary of Defense.”.

6 (b) PERMANENT AUTHORITY.—(1) Chapter 146 of  
7 title 10, United States Code, is amended by adding at the  
8 end the following new section:

9 **“§ 2470. Certain non-core functions of the Depart-**  
10 **ment of Defense**

11 “Data processing services, billing services, payroll  
12 services, and any similar services designated by the Sec-  
13 retary of Defense may be procured by contract without  
14 regard to any prohibition or limitation set forth in this  
15 chapter.”.

16 (2) The table of sections at the beginning of such  
17 chapter is amended by adding at the end the following  
18 new item:

“2470. Certain non-core functions of the Department of Defense.”.

19 **SEC. 1107. IMPROVED FEDERAL DEBT COLLECTION.**

20 (a)(1) Title 31, United States Code, is amended by  
21 adding, after section 3720A, a section 3720B, as follows:

22 **“§ 3720B. Authorization of appropriations for enhanc-**  
23 **ing debt collection**

24 “(a) To the extent and in the amounts provided in  
25 advance in appropriations Acts—

1           “(1) an amount not to exceed 1 percent of the  
2 delinquent debts collected for a program in one fiscal  
3 year is authorized to be credited in the following fis-  
4 cal year to a special fund for such program;

5           “(2) an amount not to exceed 10 percent of any  
6 sustained annual increase in delinquent debt collec-  
7 tions, as defined by the Director of the Office of  
8 Management and Budget, is authorized to be cred-  
9 ited to a special fund for such program; and

10          “(3) from amounts credited under paragraphs  
11 (1) and (2), such sums as may be necessary are au-  
12 thorized to be appropriated for the improvement of  
13 that program’s debt collection activities, including,  
14 but not limited to, account and loan servicing, delin-  
15 quent debt collection and asset disposition.

16          “(b) Debt is defined as delinquent under standards  
17 prescribed or to be prescribed by the Secretary of the  
18 Treasury.

19          “(c) For direct loan and loan guarantee programs  
20 subject to Title V of the Congressional Budget Act of  
21 1974, amounts credited in accordance with section (a)  
22 shall be considered administrative costs and shall not be  
23 included in the estimated payments to the Government for  
24 the purpose of calculating the cost of such programs.



1       “(d) This section shall apply only to collection of  
2 debts—

3               “(1) for a program not within the Department  
4 of Justice; and

5               “(2) not involving the assistance of the Depart-  
6 ment of Justice.”.

7       (2) The table of sections for subchapter II of chapter  
8 37 of title 31, United States Code, is amended by adding,  
9 after the item for section 3720A, the following new item:

      “3720B. Authorization of appropriations for enhancing debt collection.”.

10       (b) Subsection 3701(d) of Title 31, United States  
11 Code, is amended—

12               (1) by striking “and 3716–3719” and inserting  
13 in lieu thereof “, 3716, and 3717”; and

14               (2) by striking “, the Social Security Act (42  
15 U.S.C. 301 et seq.),”.

16       (c) Section 3701 of title 31, United States Code, is  
17 amended by adding at the end the following:

18       “(e) Section 3718 of this title does not apply to a  
19 claim or debt under, or to an amount payable under, the  
20 Social Security Act (42 U.S.C. 301 et seq.) owed by a  
21 person receiving benefits under that Act or to a claim or  
22 debt under, or to an amount payable under, title 26 of  
23 the United States Code.”.

24       (d) Section 3720A of title 31, United States Code is  
25 amended by striking “the individual’s home address.” at

1 the end of subsection (c) and inserting the following: “the  
 2 person’s mailing address. Provision of this information is  
 3 authorized by section 6103(m)(2) of the Internal Revenue  
 4 Code (26 U.S.C. 6103(m)(2)).”.

5 (e) Subparagraph 3718(B)(1)(A) of title 31, United  
 6 States Code, is amended by striking the following: “If the  
 7 Attorney General makes a contract for legal services to  
 8 be furnished in any judicial district of the United States  
 9 under the first sentence of this paragraph, the Attorney  
 10 General shall use his best efforts to obtain, from among  
 11 attorneys regularly engaged in the private practice of law  
 12 in such district, at least four such contracts with private  
 13 individuals or firms in such district.”.

## 14 **Subtitle C—Eliminating** 15 **Government Printing Monopoly**

### 16 **SEC. 1201. SHORT TITLE.**

17 This subtitle may be cited as the “Government Infor-  
 18 mation Dissemination and Printing Improvement Act of  
 19 1994”.

### 20 **SEC. 1202. TRANSFER OF FUNCTIONS.**

21 (a) SUPERINTENDENT OF DOCUMENTS.—The posi-  
 22 tion of Superintendent of Documents and all functions of  
 23 the position of Superintendent of Documents under title  
 24 44, United States Code, or any other provision of law are  
 25 transferred to the Library of Congress and shall be carried

1 out by the Superintendent of Documents under the direc-  
2 tion of the Librarian of Congress. The Superintendent of  
3 Documents shall be appointed by, and serve at the pleas-  
4 ure of, the Librarian of Congress. Until otherwise provided  
5 by law, on and after the effective date of the transfer  
6 under this subsection, the employees under the Super-  
7 intendent of Documents who are transferred shall be  
8 treated, for purposes of the laws governing labor-manage-  
9 ment relations, in the same manner as such employees  
10 were treated before the effective date of such transfer.

11 (b) REVOCATION OF CHARTERS.—All printing plant  
12 charters authorized under section 501 of title 44, United  
13 States Code, are revoked.

14 (c) EFFECTIVE DATE.—The transfer under sub-  
15 section (a) shall take effect one year after the date of the  
16 enactment of this subtitle. The revocation under sub-  
17 section (b) shall take effect 2 years after the date of the  
18 enactment of this subtitle.

19 **SEC. 1203. GOVERNMENT PUBLICATIONS TO BE AVAILABLE**  
20 **THROUGHOUT THE GOVERNMENT.**

21 All Government publications shall be available  
22 throughout the Government to any department, agency,  
23 or entity of the Government for use or dissemination.

1 **SEC. 1204. INVENTORY AND FURNISHING OF GOVERNMENT**  
2 **PUBLICATIONS.**

3 Each department, agency, and other entity of the  
4 Government shall—

5 (1) establish and maintain a comprehensive in-  
6 ventory of its Government publications;

7 (2) make such inventory available through the  
8 electronic directory under chapter 41 of title 44,  
9 United States Code; and

10 (3) in the form and manner prescribed by the  
11 Superintendent of Documents, furnish its Govern-  
12 ment publications to the Superintendent of Docu-  
13 ments.

14 **SEC. 1205. ADDITIONAL RESPONSIBILITIES OF THE PUBLIC**  
15 **PRINTER.**

16 (a) IN GENERAL.—The Public Printer shall, with re-  
17 spect to the executive branch of the Government and the  
18 judicial branch of the Government—

19 (1) use all necessary measures to remedy ne-  
20 glect, delay, duplication, and waste in the public  
21 printing and binding of Government publications, in-  
22 cluding the reduction and elimination of internal  
23 printing and high-speed duplicating capacities of de-  
24 partments, agencies, and entities;

25 (2) prescribe Government publishing standards,  
26 which, to the greatest extent practicable, shall be

1 consistent with the United States Government Print-  
2 ing Office Style Manual;

3 (3) prescribe Government procurement and  
4 manufacturing requirements for printing paper and  
5 writing paper, which, to the greatest extent prac-  
6 ticable, shall be consistent with Government Paper  
7 Specification Standards;

8 (4) authorize the acquisition and transfer of  
9 equipment requisitioned by publishing facilities au-  
10 thorized under section 501 of title 44, United States  
11 Code;

12 (5) authorize the disposal of such equipment  
13 pursuant to section 312 of title 44, United States  
14 Code; and

15 (6) establish policy for the acquisition of print-  
16 ing, which, to the greatest extent practicable, shall  
17 be consistent with (A) Printing Procurement Regu-  
18 lation (GPO Publication 305.3), (B) Government  
19 Printing and Binding Regulations (JCP No. 26),  
20 and (C) Printing Procurement Department Instruc-  
21 tion (PP304.1B).

22 (b) POLICY STANDARDS.—The policy referred to in  
23 subsection (a)(6) shall be formulated to maximize competi-  
24 tive procurement from the private sector. Government in-  
25 house printing and duplicating operations authorized

1 under section 501 of title 44, United States Code, or oth-  
2 erwise authorized by law, may be used if they provide  
3 printing at the lowest cost to the Government, taking into  
4 consideration the total expense of production, materials,  
5 labor, equipment, and general and administrative expense,  
6 including all levels of overhead.

7 **SEC. 1206. ADDITIONAL RESPONSIBILITIES OF THE SUPER-**  
8 **INTENDENT OF DOCUMENTS.**

9 (a) GOVERNMENT PUBLICATIONS TO BE FURNISHED  
10 TO THE SUPERINTENDENT OF DOCUMENTS.—If a depart-  
11 ment, agency, or other entity of the Government publishes  
12 a Government publication, the head of the department,  
13 agency, or entity shall furnish the Government publication  
14 to the Superintendent of Documents not later than the  
15 date of release of the material to the public.

16 (b) DISSEMINATION OR REPUBLICATION.—In addi-  
17 tion to any other dissemination provided for by law, the  
18 Superintendent of Documents shall disseminate or repub-  
19 lish Government publications, if, as determined by the Su-  
20 perintendent, the dissemination by the department, agen-  
21 cy, or entity of the Government is inadequate. The Super-  
22 intendent shall have authority to carry out the preceding  
23 sentence by appropriate means, including the dissemina-  
24 tion and republication of Government publications fur-  
25 nished under subsection (a), with the cost of dissemination

1 and republication to be borne by the department, agency,  
2 or entity involved.

3 (c) COST.—The cost charged to the public by the Su-  
4 perintendent of Documents under subsection (b) for any  
5 Government publication (whether such Government publi-  
6 cation is made available to the public by a department,  
7 agency, or entity of the Government, or by the Super-  
8 intendent of Documents) may include the incremental cost  
9 of dissemination, but may not include any profit.

10 **SEC. 1207. DEPOSITORY LIBRARIES.**

11 In addition to any other distribution provided for by  
12 law, the Superintendent of Documents shall make Govern-  
13 ment publications available to designated depository li-  
14 braries and State libraries. The Superintendent shall have  
15 authority to carry out the preceding sentence by appro-  
16 priate means, including the dissemination and republica-  
17 tion of Government publications furnished under section  
18 14006(a), with the cost of dissemination and republication  
19 to be borne by the department, agency, or entity involved.

20 **SEC. 1208. DEFINITIONS.**

21 As used in this subtitle—

22 (1) the term “Government publication” means  
23 any informational matter that is published at Gov-  
24 ernment expense, or as required by law; and

1           (2) the term “publish” means, with respect to  
2           informational matter, make available for dissemina-  
3           tion.

4       **TITLE II—STREAMLINING THE**  
5       **FEDERAL BUREAUCRACY**  
6       **Subtitle A—Department of**  
7       **Agriculture Reorganization**

8       **SEC. 2001. DEPARTMENT OF AGRICULTURE REORGANIZA-**  
9       **TION.**

10       (a) IN GENERAL.—The Secretary of Agriculture  
11       shall—

12           (1) consolidate field, regional, and national of-  
13       fices within the Department of Agriculture; and

14           (2) reduce personnel by not less than 7,500  
15       staff years, so as to achieve a reduction in expendi-  
16       tures by the Department of not less than  
17       \$1,640,000,000 during the fiscal year period 1995  
18       through 1999.

19       (b) AUTHORITIES.—In consolidating offices and re-  
20       ducing personnel as required by subsection (a), the Sec-  
21       retary shall take such action on the basis of the powers  
22       vested in the Secretary under other laws.



**Subtitle B—Procurement**  
**Streamlining**  
**CHAPTER 1—ACQUISITION OF**  
**COMMERCIAL ITEMS**

**SEC. 2051. ARMED SERVICES ACQUISITIONS.**

(a) PREFERENCE.—

(1) IN GENERAL.—Section 2325 of title 10, United States Code, is amended to read as follows:

**“§ 2325. Acquisition of commercial items**

“(a) LIMITATION ON ACQUISITION OF UNIQUE ITEMS.—The Secretary of Defense may develop and acquire equipment or supplies other than commercial items to meet requirements of the Department of Defense only if no such items are available to meet such requirements.

“(b) FLEXIBLE ACQUISITION PROCEDURES.—The Federal Acquisition Regulation issued and maintained pursuant to section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421) shall include flexible procedures authorized for use in acquisitions referred to in subsection (a). Such procedures shall include—

“(1) procedures identical to the simplified procedures prescribed pursuant to section 2304(g) of this title and section 303(g) of the Federal Property Act of 1949 (41 U.S.C. 253(g));

1           “(2) procedures involving a request for  
2 quotations and a brief evaluation period; and

3           “(3) any other procedures that the Federal Ac-  
4 quisition Regulatory Council considers appropriate.

5       “(c) DEFINING DEPARTMENTAL NEEDS.—The Sec-  
6 retary of Defense shall ensure that, to the maximum ex-  
7 tent practicable, requirements of the Department of De-  
8 fense with respect to a procurement of equipment or sup-  
9 plies—

10           “(1) are stated in terms of—

11               “(A) functions to be performed;

12               “(B) performance required; or

13               “(C) essential physical characteristics;

14           “(2) are defined so that commercial items fulfill  
15 such requirements; and

16           “(3) are fulfilled through the procurement of  
17 commercial items.

18       “(d) IMPLEMENTATION.—The Secretary shall—

19           “(1) ensure that procurement officials in the  
20 Department of Defense, to the maximum extent  
21 practicable—

22               “(A) acquire commercial items to meet the  
23 needs of the department;

24               “(B) require prime contractors and sub-  
25 contractors at all levels under the department

1 contracts to incorporate commercial items as  
2 components of items supplied to the Depart-  
3 ment of Defense;

4 “(C) modify requirements in appropriate  
5 cases to ensure that the requirements can be  
6 met by commercial items; and

7 “(D) state specifications in terms that en-  
8 able and encourage bidders and offerors to sup-  
9 ply commercial items in response to Depart-  
10 ment of Defense solicitations;

11 “(2) revise the department’s procurement poli-  
12 cies, practices, and procedures not required by law  
13 to reduce any impediments in those policies, prac-  
14 tices, and procedures to the acquisition of commer-  
15 cial items; and

16 “(3) require training of appropriate personnel  
17 in the acquisition of commercial items.

18 “(e) INAPPLICABILITY OF COST ACCOUNTING  
19 STANDARDS.—Subsections (f) and (h) of section 26 of the  
20 Office of Federal Procurement Policy Act (41 U.S.C. 422)  
21 do not apply to acquisitions of commercial items.

22 “(f) DEFINITION.—In this section, the term ‘com-  
23 mercial item’ means—

24 “(1) property, other than real property, that is  
25 regularly used by the general public or by non-

1 governmental entities in the course of normal busi-  
2 ness operations for purposes other than govern-  
3 mental purposes and—

4 “(A) has been sold or licensed to the gen-  
5 eral public;

6 “(B) has not been sold or licensed to the  
7 general public but has been offered for sale or  
8 license to the general public; or

9 “(C) is not yet available in the commercial  
10 marketplace but will be made available for com-  
11 mercial delivery within a reasonable period;

12 “(2) any property that, before undergoing  
13 minor modifications to meet Government require-  
14 ments or modifications customary for that type of  
15 property in the commercial marketplace, is a com-  
16 mercial item within the meaning of paragraph (1);

17 “(3) any previously developed item of supply  
18 that is in use by a department or agency of the  
19 United States, a State or local government, or a for-  
20 eign government with which the United States has  
21 a mutual defense cooperation agreement;

22 “(4) any combination of items meeting the re-  
23 quirements of paragraph (1), (2), or (3) that are of  
24 a type customarily combined and sold in combination  
25 to the general public; and

1           “(5) installation services, maintenance services,  
 2           repair services, training services, and other services  
 3           if such services are procured for support of an item  
 4           referred to in paragraph (1), (2), (3), or (4) and if  
 5           the source of such services—

6                   “(A) offers such services to the general  
 7           public and the Federal Government contem-  
 8           poraneously under similar terms and conditions;  
 9           and

10                   “(B) offers to use the same work force for  
 11           providing the Federal Government with such  
 12           services as the source uses for providing such  
 13           services to the general public.”.

14           (2) CLERICAL AMENDMENT.—The item relating  
 15           to such section in the table of sections at the begin-  
 16           ning of chapter 137 of such title is amended to read  
 17           as follows:

“2325. Acquisition of commercial items.”.

18           (b) SPECIFICATIONS AND STANDARDS.—Section  
 19           2305(a)(1)(C) of title 10, United States Code, is amended  
 20           in the second sentence by striking out “Subject to such  
 21           needs, specifications may” and inserting in lieu thereof the  
 22           following: “Normally, the specifications shall be the speci-  
 23           fications of commercial items in accordance with section  
 24           2325 of this title. When such items cannot meet bona fide  
 25           needs of the procuring agency, specifications shall”.

1 **SEC. 2052. CIVILIAN AGENCY ACQUISITIONS.**

2 (a) PREFERENCE.—

3 (1) IN GENERAL.—Title III of the Federal  
4 Property and Administrative Services Act of 1949  
5 (41 U.S.C. 251 et seq.) is amended by adding at the  
6 end the following new section:

7 “ACQUISITION OF COMMERCIAL ITEMS

8 “SEC. 311. (a) LIMITATION ON ACQUISITION OF  
9 UNIQUE ITEMS.—A Federal agency may develop and ac-  
10 quire equipment or supplies other than commercial items  
11 to meet requirements of that Federal agency only if no  
12 such items are available to meet such requirements.

13 “(b) FLEXIBLE ACQUISITION PROCEDURES.—(1)  
14 Notwithstanding any other provision of this title or of any  
15 other law, a Federal agency may use flexible acquisition  
16 procedures for the acquisition of commercial items.

17 “(2) The Federal Acquisition Regulation issued and  
18 maintained pursuant to section 25 of the Office of Federal  
19 Procurement Policy Act (41 U.S.C. 421) shall include  
20 flexible procedures authorized for use in acquisitions re-  
21 ferred to in paragraph (1). Such procedures shall in-  
22 clude—

23 “(A) procedures identical to the simplified pro-  
24 cedures prescribed pursuant to section 2304(g) of  
25 title 10, United States Code, and section 303(g) of  
26 this Act;

1           “(B) procedures involving a request for  
2 quotations and a brief evaluation period; and

3           “(C) any other procedures that the Federal Ac-  
4 quisition Regulatory Council considers appropriate.

5           “(c) DEFINING AGENCY NEEDS.—The head of each  
6 Federal agency shall ensure that, to the maximum extent  
7 practicable, requirements of the Federal agency with re-  
8 spect to a procurement of equipment or supplies—

9           “(1) are stated in terms of—

10                   “(A) functions to be performed;

11                   “(B) performance required; or

12                   “(C) essential physical characteristics;

13           “(2) are defined so that commercial items fulfill  
14 such requirements; and

15           “(3) are fulfilled through the procurement of  
16 commercial items.

17           “(d) IMPLEMENTATION.—The head of a Federal  
18 agency shall—

19           “(1) ensure that procurement officials in the  
20 agency, to the maximum extent practicable—

21                   “(A) acquire commercial items to meet the  
22 needs of the agency;

23                   “(B) require prime contractors and sub-  
24 contractors at all levels under the agency con-

1           tracts to incorporate commercial items as com-  
2           ponents of items supplied to the agency;

3           “(C) modify requirements in appropriate  
4           cases to ensure that the requirements can be  
5           met by commercial items; and

6           “(D) state specifications in terms that en-  
7           able and encourage bidders and offerors to sup-  
8           ply commercial items in response to agency so-  
9           licitations;

10          “(2) revise the agency’s procurement policies,  
11          practices, and procedures not required by law to re-  
12          duce any impediments in those policies, practices,  
13          and procedures to the acquisition of commercial  
14          items; and

15          “(3) require training of appropriate personnel  
16          in the acquisition of commercial items.

17          “(e) INAPPLICABILITY OF COST ACCOUNTING  
18          STANDARDS.—Subsections (f) and (h) of section 26 of the  
19          Office of Federal Procurement Policy Act (41 U.S.C. 422)  
20          do not apply to acquisitions of commercial items.

21          “(f) DEFINITION.—In this section, the term ‘com-  
22          mercial item’ means—

23               “(1) property, other than real property, that is  
24               regularly used by the general public or by non-  
25               governmental entities in the course of normal busi-



1       ness operations for purposes other than govern-  
2       mental purposes and—

3               “(A) has been sold or licensed to the gen-  
4       eral public;

5               “(B) has not been sold or licensed to the  
6       general public but has been offered for sale or  
7       license to the general public; or

8               “(C) is not yet available in the commercial  
9       marketplace but will be made available for com-  
10      mercial delivery within a reasonable period;

11              “(2) any property that, before undergoing  
12      minor modifications to meet Government require-  
13      ments or modifications customary for that type of  
14      property in the commercial marketplace, is a com-  
15      mercial item within the meaning of paragraph (1);

16              “(3) any previously developed item of supply  
17      that is in use by a department or agency of the  
18      United States, a State or local government, or a for-  
19      eign government with which the United States has  
20      a mutual defense cooperation agreement;

21              “(4) any combination of items meeting the re-  
22      quirements of paragraph (1), (2), or (3) that are of  
23      a type customarily combined and sold in combination  
24      to the general public; and

1           “(5) installation services, maintenance services,  
2       repair services, training services, and other services  
3       if such services are procured for support of an item  
4       referred to in paragraph (1), (2), (3), or (4) and if  
5       the source of such services—

6           “(A) offers such services to the general  
7       public and the Federal Government contem-  
8       poraneously under similar terms and conditions;  
9       and

10          “(B) offers to use the same work force for  
11       providing the Federal Government with such  
12       services as the source uses for providing such  
13       services to the general public.”.

14          (2) CLERICAL AMENDMENT.—The table of con-  
15       tents in the first section of such Act is amended by  
16       inserting after the item relating to section 310 the  
17       following new item:

“Sec. 311. Acquisition of commercial items.”.

18       (b) SPECIFICATIONS AND STANDARDS.—Section  
19       303A(a)(3) of the Federal Property and Administrative  
20       Services Act (41 U.S.C. 253a(a)(3)) is amended in the  
21       second sentence by striking out “Subject to such needs,  
22       specifications may” and inserting in lieu thereof the fol-  
23       lowing: “Normally, the specifications shall be the specifica-  
24       tions of commercial items in accordance with section 311.

1 When such items cannot meet bona fide needs of the pro-  
 2 curing agency, specifications shall”.

## 3 **CHAPTER 2—SIMPLIFIED ACQUISITION** 4 **THRESHOLD**

### 5 **Subchapter A—Establishment of Threshold**

#### 6 **SEC. 2061. SIMPLIFIED ACQUISITION THRESHOLD.**

7 (a) TERM DEFINED.—Section 4(11) of the Office of  
 8 Federal Procurement Policy Act (41 U.S.C. 403(11)) is  
 9 amended to read as follows:

10 “(11) The term ‘simplified acquisition thresh-  
 11 old’ means \$100,000.”.

12 (b) CONFORMING AMENDMENTS.—

13 (1) ARMED SERVICES ACQUISITIONS.—Para-  
 14 graph (7) of section 2302 of title 10, United States  
 15 Code, is amended to read as follows:

16 “(7) The term ‘simplified acquisition threshold’  
 17 has the meaning given that term in section 4 of the  
 18 Office of Federal Procurement Policy Act (41 U.S.C.  
 19 403), except that, in the case of any contract to be  
 20 awarded and performed, or purchase to be made,  
 21 outside the United States in support of a contin-  
 22 gency operation, the term means an amount equal to  
 23 two times the amount specified for that term in sec-  
 24 tion 4 of such Act.”.

1           (2) CIVILIAN AGENCY ACQUISITIONS.—Section  
 2           309(c) of the Federal Property and Administrative  
 3           Services Act of 1949 (41 U.S.C. 259(c)) is amended  
 4           by striking out “and ‘supplies’ ” and inserting in lieu  
 5           thereof “ ‘supplies’, and ‘simplified acquisition  
 6           threshold’ ”.

7           (c) INTERIM REPORTING RULE.—Until October 1,  
 8           1996, contracting activities shall continue to report pro-  
 9           curement awards with a dollar value of at least \$25,000,  
 10          but less than \$100,000, in conformity with the procedures  
 11          for the reporting of a contract award in excess of \$25,000  
 12          that were in effect on October 1, 1992.

### 13       **Subchapter B—Simplification of Procedures**

#### 14       **SEC. 2066. SIMPLIFIED ACQUISITION PROCEDURES.**

15          The Office of Federal Procurement Policy Act (41  
 16          U.S.C. 401 et seq.) is amended by adding at the end the  
 17          following new section:

18               “SIMPLIFIED ACQUISITION PROCEDURES

19               “SEC. 29. (a) In order to promote efficiency and  
 20          economy in contracting and to avoid unnecessary burdens  
 21          for agencies and contractors, the Federal Acquisition Reg-  
 22          ulation shall provide for special simplified procedures for  
 23          contracts for acquisition of property and services that are  
 24          not in excess of the simplified acquisition threshold.

25               “(b) A proposed purchase or contract for an amount  
 26          above the simplified acquisition threshold may not be di-

1 vided into several purchases or contracts for lesser  
2 amounts in order to use the simplified acquisition proce-  
3 dures required by subsection (a).

4 “(c) In using simplified acquisition procedures, the  
5 head of an executive agency shall promote competition to  
6 the maximum extent practicable.”.

7 **SEC. 2067. SMALL BUSINESS RESERVATION.**

8 Section 15(j) of the Small Business Act (15 U.S.C.  
9 644(j)) is amended to read as follows:

10 “(j)(1) Each contract for the procurement of goods  
11 and services that has an anticipated value not in excess  
12 of the simplified acquisition threshold and that is subject  
13 to simplified acquisition procedures prescribed pursuant to  
14 section 29 of the Office of Federal Procurement Policy  
15 Act shall be reserved exclusively for small business con-  
16 cerns unless the contracting officer is unable to obtain of-  
17 fers from two or more small business concerns that are  
18 competitive with market prices and are competitive with  
19 regard to the quality and delivery of the goods or services  
20 being procured.

21 “(2) In carrying out paragraph (1), a contracting of-  
22 ficer shall consider a responsive offer timely received from  
23 an eligible small business offeror.

24 “(3) Nothing in paragraph (1) shall be construed as  
25 precluding an award of a contract with a value not in ex-

cess of the simplified acquisition threshold under the authority of section 8(a) of this Act, section 2323 of title 10, United States Code, or section 712 of the Business Opportunity Development Reform Act of 1988 (Public Law 100–656; 15 U.S.C. 644 note).

“(4) In utilizing procedures referred to in paragraph (1), contracting officers shall, wherever circumstances permit, provide for the use of fast payment terms and disbursement of payment through electronic fund transfer.”.

**SEC. 2068. PROCUREMENT NOTICE.**

(a) CONTINUATION OF EXISTING NOTICE THRESHOLDS.—Subsection (a) of section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) is amended—

(1) in paragraph (1), by striking out “the small purchase threshold” each place it appears and inserting in lieu thereof “\$25,000”; and

(2) in paragraph (3)(B), by inserting after “(B)” the following: “in the case of a contract or order expected to exceed the simplified acquisition threshold,”.

(b) CONTENT OF NOTICE.—Subsection (b) of such section is amended—

(1) by striking out “and” at the end of paragraph (4);

1           (2) by striking out the period at the end of  
 2 paragraph (5) and inserting in lieu thereof a semi-  
 3 colon; and

4           (3) by adding at the end the following:

5           “(6) in the case of a contract in an amount es-  
 6 timated to exceed the \$25,000 but not to exceed the  
 7 simplified acquisition threshold—

8           “(A) a description of the procedures to be  
 9 used in awarding the contract; and

10           “(B) a statement specifying the periods for  
 11 prospective offerors and the contracting officer  
 12 to take the necessary preaward and award ac-  
 13 tions.”.

14       (c) NOTICE UNDER THE SMALL BUSINESS ACT.—

15           (1) CONTINUATION OF EXISTING NOTICE  
 16 THRESHOLDS.—Subsection (e) of section 8 of the  
 17 Small Business Act (15 U.S.C. 637) is amended—

18           (A) in paragraph (1), by striking out “the  
 19 small purchase threshold” each place it appears  
 20 and inserting in lieu thereof “\$25,000”; and

21           (B) in paragraph (3)(B), by inserting after  
 22 “(B)” the following: “in the case of a contract  
 23 or order estimated to exceed the simplified ac-  
 24 quisition threshold,”.

1 (2) CONTENT OF NOTICE.—Subsection (f) of  
2 such section is amended—

3 (A) by striking out “and” at the end of  
4 paragraph (4);

5 (B) by striking out the period at the end  
6 of paragraph (5) and inserting in lieu thereof a  
7 semicolon; and

8 (C) by adding at the end the following:

9 “(6) in the case of a contract in an amount es-  
10 timated to exceed the \$25,000 but not to exceed the  
11 simplified acquisition threshold—

12 “(A) a description of the procedures to be  
13 used in awarding the contract; and

14 “(B) a statement specifying the periods for  
15 prospective offerors and the contracting officer  
16 to take the necessary preaward and award ac-  
17 tions.”.

18 **Subchapter C—Inapplicability of Laws to Ac-**  
19 **quisitions Not in Excess of Simplified Ac-**  
20 **quisition Threshold**

21 **SEC. 2071. ARMED SERVICES ACQUISITIONS.**

22 (a) CONTRACT CLAUSE REGARDING CONTINGENT  
23 FEES.—Section 2306(b) of title 10, United States Code,  
24 is amended by adding at the end the following: “This sub-



1 section does not apply to a contract that is not in excess  
2 of the simplified acquisition threshold.”.

3 (b) SUBCONTRACTOR DIRECT SALES TO THE  
4 UNITED STATES.—Section 2402 of title 10, United States  
5 Code, is amended by adding at the end the following new  
6 subsection:

7 “(c) This section does not apply to a contract that  
8 is not in excess of the simplified acquisition threshold (as  
9 defined in section 4(11) of the Office of Federal Procure-  
10 ment Policy Act (41 U.S.C. 403(11))).”.

11 (c) EXAMINATION OF BOOKS AND RECORDS OF CON-  
12 TRACTORS.—Section 2313 of title 10, United States Code,  
13 is amended by adding at the end the following new sub-  
14 section:

15 “(e) This section does not apply with respect to a con-  
16 tract that is not in excess of the simplified acquisition  
17 threshold.”.

18 (d) IDENTIFICATION OF SUPPLIERS AND SOURCES  
19 OF SUPPLIES.—Section 2384(b) of title 10, United States  
20 Code, is amended by adding at the end the following new  
21 paragraph:

22 “(3) The regulations prescribed pursuant to para-  
23 graph (1) do not apply to a contract that does not exceed  
24 the simplified acquisition threshold (as defined in section

1 4(11) of the Office of Federal Procurement Policy Act (41  
2 U.S.C. 403(11))).”.

3 (e) DOING BUSINESS WITH CERTAIN OFFERORS OR  
4 CONTRACTORS.—Section 2393(d) of title 10, United  
5 States Code, is amended in the second sentence by striking  
6 out “above” and all that follows and inserting in lieu  
7 thereof “in excess of the simplified acquisition threshold  
8 (as defined in section 4(11) of the Office of Federal Pro-  
9 curement Policy Act (41 U.S.C. 403(11))).”.

10 (f) USE OF UNITED STATES VESSELS FOR TRANS-  
11 PORTING SUPPLIES OF THE ARMED FORCES.—Section  
12 2631 of title 10, United States Code, is amended by add-  
13 ing at the end the following: “The first sentence does not  
14 apply to a contract for the transportation of supplies by  
15 sea if the contract does not exceed the simplified acqui-  
16 sition threshold (as defined in section 4(11) of the Office  
17 of Federal Procurement Policy Act (41 U.S.C.  
18 403(11))).”.

19 **SEC. 2072. CIVILIAN AGENCY ACQUISITIONS.**

20 (a) CONTRACT CLAUSE REGARDING CONTINGENT  
21 FEES.—Section 304(a) of the Federal Property and Ad-  
22 ministrative Services Act of 1949 (41 U.S.C. 254(a)) is  
23 amended by adding at the end the following: “The preced-  
24 ing sentence does not apply to a contract that is not in  
25 excess of the simplified acquisition threshold.”.

1       (b) SUBCONTRACTOR DIRECT SALES TO THE  
2 UNITED STATES.—Section 303G of the Federal Property  
3 and Administrative Services Act of 1949 (41 U.S.C. 253g)  
4 is amended by adding at the end the following new sub-  
5 section:

6       “(c) This section does not apply to a contract that  
7 is not in excess of the simplified acquisition threshold.”.

8 **SEC. 2073. ACQUISITIONS GENERALLY.**

9       (a) USE OF FUNDS TO INFLUENCE CERTAIN FED-  
10 ERAL ACTIONS.—Section 1352(e)(2)(B) of title 31,  
11 United States Code, is amended by striking out  
12 “\$100,000” and inserting in lieu thereof “the simplified  
13 acquisition threshold (as defined in section 4(11) of the  
14 Office of Federal Procurement Policy Act (41 U.S.C.  
15 403(11)))”.

16       (b) CONTRACT CLAUSE RELATING TO KICKBACKS.—  
17 Section 7 of the Anti-Kickback Act of 1986 (41 U.S.C.  
18 57) is amended by adding at the end the following new  
19 subsection:

20       “(d) Subsections (a) and (b) do not apply to a prime  
21 contract that is not in excess of the simplified acquisition  
22 threshold (as defined in section 4(11) of the Office of Fed-  
23 eral Procurement Policy Act (41 U.S.C. 403(11))).”.

1 (c) REQUIREMENT UNDER THE REHABILITATION  
2 ACT OF 1973.—Section 503(a) of the Rehabilitation Act  
3 of 1973 (29 U.S.C. 793(a)) is amended—

4 (1) by striking out “in excess of \$10,000” in  
5 the first and second sentences; and

6 (2) by inserting after the second sentence the  
7 following: “Notwithstanding the first and second  
8 sentences, this subsection does not apply to a con-  
9 tract or subcontract that is not in excess of the sim-  
10 plified acquisition threshold (as defined in section  
11 4(11) of the Office of Federal Procurement Policy  
12 Act (41 U.S.C. 403(11))).”.

13 (d) REQUIREMENT REGARDING CERTAIN DISABLED  
14 VETERANS.—Section 4212(a) of title 38, United States  
15 Code, is amended—

16 (1) in the first sentence by striking out “in the  
17 amount of \$10,000 or more” and inserting in lieu  
18 thereof “in excess of the simplified acquisition  
19 threshold (as defined in section 4(11) of the Office  
20 of Federal Procurement Policy Act (41 U.S.C.  
21 403(11)))”; and

22 (2) in the second sentence by inserting after  
23 “shall apply to any subcontract” the following: “in  
24 excess of the simplified acquisition threshold that  
25 is”.

1 (e) MILLER ACT.—

2 (1) IN GENERAL.—

3 (A) CONTRACTS NOT EXCEEDING SIM-  
4 PLIFIED ACQUISITION THRESHOLD.—The Act  
5 of August 24, 1935 (40 U.S.C. 270a et seq.),  
6 commonly referred to as the “Miller Act”, is  
7 amended by adding at the end the following  
8 new section:

9 “SEC. 5. This Act does not apply to a contract in  
10 an amount that is not in excess of the simplified acqui-  
11 sition threshold (as defined in section 4(11) of the Office  
12 of Federal Procurement Policy Act (41 U.S.C.  
13 403(11))).”.

14 (B) CONFORMING AMENDMENT.—Sub-  
15 section (a) of the first section of such Act is  
16 amended by striking out “, exceeding \$25,000  
17 in amount,”.

18 (2) ALTERNATIVE PAYMENT PROTECTIONS.—

19 (A) REGULATIONS REQUIRED.—The Fed-  
20 eral Acquisition Regulation shall provide var-  
21 ious alternative payment protections, including  
22 payment bonds, for suppliers of labor and mate-  
23 rials on contracts referred to in subparagraph  
24 (B).

1 (B) COVERED CONTRACTS.—The protec-  
2 tions required by paragraph (1) shall apply with  
3 respect to contracts referred to in subsection  
4 (a) of the first section of the Miller Act that are  
5 in excess of \$25,000 but not in excess of the  
6 simplified acquisition threshold (as defined in  
7 section 4(11) of the Office of Federal Procure-  
8 ment Policy Act (41 U.S.C. 403(11))).

9 (C) MILLER ACT REFERENCE.—The Miller  
10 Act referred to in paragraph (2) means the Act  
11 of August 24, 1935 (40 U.S.C. 270a et seq.),  
12 commonly referred to as the “Miller Act”.

13 (f) BUY AMERICAN ACT.—Title III of the Act of  
14 March 3, 1993 (40 U.S.C. 10a et seq.) is amended—

15 (1) by adding at the end the following new sec-  
16 tion:

17 “SEC. 5. Sections 2 and 3 do not apply to a contract  
18 that is not in excess of the simplified acquisition thresh-  
19 old.”; and

20 (2) in section 1—

21 (A) by adding at the end the following:

22 “(d) The term ‘simplified acquisition threshold’ has  
23 the meaning given such term in section 4(11) of the Office  
24 of Federal Procurement Policy Act (41 U.S.C. 403(11)).”;

1 (B) by striking out “title—” and inserting  
2 in lieu thereof “title:”; and

3 (C) by striking out the semicolon at the  
4 end of subsections (a) and (b) and inserting in  
5 lieu thereof a period.

6 (g) DAVIS-BACON ACT.—

7 (1) IN GENERAL.—The first section of the Act  
8 of March 3, 1931 (40 U.S.C. 276a), commonly re-  
9 ferred to as the “Davis-Bacon Act”, is amended in  
10 subsection (a) by striking out “\$2,000” and insert-  
11 ing in lieu thereof “the simplified acquisition thresh-  
12 old (as defined in section 4(11) of the Office of Fed-  
13 eral Procurement Policy Act (41 U.S.C. 403(11)))”.

14 (2) RELATED REGULATIONS.—Section 2 of the  
15 Act of June 13, 1934 (40 U.S.C. 276c) is amend-  
16 ed—

17 (A) by inserting after “engaged” the fol-  
18 lowing: “under contracts in excess of the sim-  
19 plified acquisition threshold”; and

20 (B) by adding at the end the following: “In  
21 this section, the term ‘simplified acquisition  
22 threshold’ has the meaning given such term in  
23 section 4(11) of the Office of Federal Procure-  
24 ment Policy Act (41 U.S.C. 403(11)).”.

1       (h) CONTRACT WORK HOURS AND SAFETY STAND-  
2 ARDS ACT.—

3           (1) IN GENERAL.—Section 103 of the Contract  
4 Work Hours and Safety Standards Act (40 U.S.C.  
5 329) is amended by adding at the end the following  
6 new subsection:

7       “(c) This title does not apply to a contract in an  
8 amount that is not in excess of the simplified acquisition  
9 threshold (as defined in section 4(11) of the Office of Fed-  
10 eral Procurement Policy Act (41 U.S.C. 403(11))).”.

11          (2) CONFORMING AMENDMENT.—Section  
12 107(a) of such Act (40 U.S.C. 333(a)) is amended  
13 by inserting after “It shall be a condition of each  
14 contract” the following: “(other than a contract re-  
15 ferred to in section 103(c))”.

16       (i) SERVICE CONTRACT ACT OF 1965.—

17           (1) IN GENERAL.—Section 2(a) of the Service  
18 Contract Act of 1965 (41 U.S.C. 351(a)) is amend-  
19 ed by striking out “\$2,500” and inserting in lieu  
20 thereof “the simplified acquisition threshold”.

21           (2) DEFINITION.—Section 8 of such Act (41  
22 U.S.C. 357) is amended by adding at the end the  
23 following:



1       “(e) The term ‘simplified acquisition threshold’ has  
2 the meaning given such term in section 4(11) of the Office  
3 of Federal Procurement Policy Act (41 U.S.C. 403(11)).”.

4       (j) DRUG-FREE WORKPLACE ACT OF 1988.—Section  
5 5152(a)(1) of the Drug-Free Workplace Act of 1988 (sub-  
6 title D of title V of the Anti-Drug Abuse Act of 1988;  
7 Public Law 100–690; 41 U.S.C. 701(a)(1)) is amended  
8 by striking out “of \$25,000 or more from any Federal  
9 agency” and inserting in lieu thereof “in excess of the sim-  
10 plified acquisition threshold (as defined in section 4(11)  
11 of such Act (41 U.S.C. 403(11))) by any Federal agency”.

12       (k) SHIPMENT ON AMERICAN-FLAG COMMERCIAL  
13 VESSELS.—Section 901(b) of the Merchant Marine Act,  
14 1936 (46 U.S.C. 1241(b)) is amended by adding at the  
15 end the following new paragraph:

16       “(3) Paragraph (1) does not apply to a contract for  
17 transportation on ocean vessels in an amount that is not  
18 in excess of the simplified acquisition threshold (as defined  
19 in section 4(11) of the Office of Federal Procurement Pol-  
20 icy Act (41 U.S.C. 403(11))). The gross tonnage trans-  
21 ported under such a contract may not be counted for pur-  
22 poses of determining the minimum gross tonnage required  
23 to be transported on privately owned United States-flag  
24 commercial vessels or for purposes of satisfying such re-  
25 quirement.”.

1 (I) CERTAIN PROCUREMENT INTEGRITY REQUIRE-  
 2 MENTS.—

3 (1) CERTIFICATION REQUIREMENT.—Sub-  
 4 section (e)(7)(A) of section 27 of the Office of Fed-  
 5 eral Procurement Policy Act (41 U.S.C. 423) is  
 6 amended by striking out “\$100,000” and inserting  
 7 in lieu thereof “the simplified acquisition threshold”.

8 (2) CONTRACT CLAUSE REQUIREMENT.—Sub-  
 9 section (g)(1) of such section is amended by insert-  
 10 ing after “awarded by a Federal agency” the follow-  
 11 ing: “(other than a contract in an amount that is  
 12 not in excess of the simplified acquisition thresh-  
 13 old)”.

## 14 **Subchapter D—Conforming Amendments**

### 15 **SEC. 2076. ARMED SERVICES ACQUISITIONS.**

16 (a) SIMPLIFIED ACQUISITION PROCEDURES.—Sec-  
 17 tion 2304(g) of title 10, United States Code, is amended—

18 (1) in paragraph (1), by striking out “small  
 19 purchases of property and services” and inserting in  
 20 lieu thereof “purchases of property and services not  
 21 in excess of the simplified acquisition threshold”;

22 (2) by striking out paragraph (2);

23 (3) by redesignating paragraphs (3) and (4) as  
 24 paragraphs (2) and (3), respectively;

25 (4) in paragraph (2), as so redesignated—

1 (A) by striking out “small purchase  
2 threshold” and inserting in lieu thereof “sim-  
3 plified acquisition threshold”; and

4 (B) by striking out “small purchase proce-  
5 dures” and inserting in lieu thereof “simplified  
6 procedures”; and

7 (5) in paragraph (3), as redesignated by para-  
8 graph (3) of this subsection, by striking out “small  
9 purchase procedures” and inserting in lieu thereof  
10 “the simplified procedures”.

11 (b) SOLICITATION CONTENT REQUIREMENT.—Sec-  
12 tion 2305(a)(2) of title 10, United States Code, is amend-  
13 ed by striking out “small purchases)” in the matter above  
14 subparagraph (A) and inserting in lieu thereof “purchases  
15 not in excess of the simplified acquisition threshold”.

16 (c) COST TYPE CONTRACTS.—Section 2306(e)(2)(A)  
17 of title 10, United States Code, is amended by striking  
18 out “small purchase threshold” and inserting in lieu there-  
19 of “simplified acquisition threshold”.

20 **SEC. 2077. CIVILIAN AGENCY ACQUISITIONS.**

21 (a) SIMPLIFIED ACQUISITION PROCEDURES.—Sec-  
22 tion 303(g) of the Federal Property and Administrative  
23 Services Act of 1949 (41 U.S.C. 253(g)) is amended—

24 (1) in paragraph (1), by striking out “small  
25 purchases of property and services” and inserting in

1        lieu thereof “purchases of property and services not  
2        in excess of the simplified acquisition threshold”;

3            (2) by striking out paragraphs (2) and (5);

4            (3) by redesignating paragraphs (3) and (4) as  
5        paragraphs (2) and (3), respectively;

6            (4) in paragraph (2), as so redesignated—

7            (A) by striking out “small purchase  
8        threshold” and inserting in lieu thereof “sim-  
9        plified acquisition threshold”; and

10          (B) by striking out “small purchase proce-  
11        dures” and inserting in lieu thereof “simplified  
12        procedures”; and

13          (5) in paragraph (3), as redesignated by para-  
14        graph (3) of this subsection, by striking out “small  
15        purchase procedures” and inserting in lieu thereof  
16        “the simplified procedures”.

17        (b) SOLICITATION CONTENT REQUIREMENT.—Sec-  
18        tion 303A(b) of the Federal Property and Administrative  
19        Services Act of 1949 (41 U.S.C. 253a(b)) is amended by  
20        striking out “small purchases)” in the matter above para-  
21        graph (1) and inserting in lieu thereof “purchases not in  
22        excess of the simplified acquisition threshold)”.

23        (c) COST TYPE CONTRACTS.—Section 304(b) of the  
24        Federal Property and Administrative Services Act of 1949  
25        (41 U.S.C. 254(b)) is amended in the third sentence by

1 striking out “either \$25,000” and inserting in lieu thereof  
 2 “either the simplified acquisition threshold”.

3 **SEC. 2078. OFFICE OF FEDERAL PROCUREMENT POLICY**  
 4 **ACT AMENDMENT.**

5 Section 19(a) of the Office of Federal Procurement  
 6 Policy Act (41 U.S.C. 417(a)) is amended by striking out  
 7 “procurements, other than small purchases,” and insert-  
 8 ing in lieu thereof “procurements in excess of the sim-  
 9 plified acquisition threshold”.

10 **SEC. 2079. SMALL BUSINESS ACT AMENDMENTS.**

11 (a) DEFINITION.—Section 3(m) of the Small Busi-  
 12 ness Act (15 U.S.C. 632(m)) is amended by striking out  
 13 “‘small purchase threshold’” and inserting in lieu thereof  
 14 “‘simplified acquisition threshold’”.

15 (b) USE OF SIMPLIFIED ACQUISITION THRESHOLD  
 16 TERM.—Section 8(d)(2)(A) of the Small Business Act (15  
 17 U.S.C. 637(d)(2)(A)) is amended by striking out “small  
 18 purchase threshold” and inserting in lieu thereof “sim-  
 19 plified acquisition threshold”.

20 **Subchapter E—Revision of Regulations**

21 **SEC. 2081. REVISION REQUIRED.**

22 (a) FEDERAL ACQUISITION REGULATION.—The Fed-  
 23 eral Acquisition Regulatory Council established by section  
 24 25(a) of the Office of Federal Procurement Policy Act (41  
 25 U.S.C. 421(a)) shall review the Federal Acquisition Regu-

1 lation to identify regulations that are applicable to acqui-  
2 tions in excess of a specified amount that is less than  
3 \$100,000. The Council shall amend the regulations so  
4 identified as necessary to provide that such regulations do  
5 not apply to acquisitions that are not in excess of the sim-  
6 plified acquisition threshold. The preceding sentence does  
7 not apply in the case of a regulation for which such an  
8 amendment would not be in the national interest, as deter-  
9 mined by the Council.

10 (b) SUPPLEMENTAL REGULATIONS.—The head of  
11 each Federal agency that has issued regulations, policies,  
12 or procedures referred to in section 25(c)(2) of the Office  
13 of Federal Procurement Policy Act (41 U.S.C. 421(c)(2))  
14 shall identify any such regulations, policies, or procedures  
15 that are applicable to acquisitions in excess of a specified  
16 amount that is less than \$100,000. The agency head shall  
17 amend the regulations so identified as necessary to provide  
18 that such regulations, policies, and procedures do not  
19 apply to acquisitions that are not in excess of the sim-  
20 plified acquisition threshold. The preceding sentence does  
21 not apply in the case of a regulation, policy, or procedure  
22 for which such an amendment would not be in the national  
23 interest, as determined by the agency head.

1 (c) COMPLETION OF ACTIONS.—All actions under  
 2 this section shall be completed not later than 180 days  
 3 after the date of the enactment of this Act.

4 (d) DEFINITIONS.—In this section:

5 (1) The term “simplified acquisition threshold”  
 6 has the meaning given such term in section 4(11) of  
 7 the Office of Federal Procurement Policy Act (41  
 8 U.S.C. 403(11)), as amended by section 2061.

9 (2) The term “Federal agency” has the mean-  
 10 ing given such term in section 3(b) of the Federal  
 11 Property and Administrative Services Act of 1949  
 12 (41 U.S.C. 472(b)).

## 13 **Subtitle C—Other Streamlining** 14 **Reforms**

15 **SEC. 2101. AMENDMENT TO THE COPELAND ACT TO ELIMI-**  
 16 **NATE UNNECESSARY AND BURDENSOME RE-**  
 17 **PORTS AND TO PROVIDE FOR MORE EFFEC-**  
 18 **TIVE AND EFFICIENT VERIFICATION OF COM-**  
 19 **PLIANCE WITH THE DAVIS-BACON ACT.**

20 Section 2 of the Act of June 13, 1934 (commonly  
 21 known as the Copeland Act) (40 U.S.C. 276c), is amended  
 22 by striking in the first sentence “weekly” and all that fol-  
 23 lows through “week” and inserting “at least once per  
 24 month a statement of compliance with the labor standards  
 25 provisions of applicable law that certifies the payroll with

1 respect to wages paid employees during the preceding pe-  
 2 riod for which such statement is furnished and that covers  
 3 each week any contract work is performed”.

4 **SEC. 2102. CONSOLIDATION OF SOCIAL SERVICE PRO-**  
 5 **GRAMS.**

6 (a) AT-RISK CHILD CARE PROGRAM MERGED INTO  
 7 PROGRAM OF BLOCK GRANTS TO STATES FOR SOCIAL  
 8 SERVICES.—

9 (1) CONSOLIDATION OF SERVICES.—Section  
 10 2002(a)(2)(A) of the Social Security Act (42 U.S.C.  
 11 1397a(a)(2)(A)) is amended by inserting “(including  
 12 services that could have been provided under section  
 13 402(i), as in effect immediately before the date of  
 14 enactment of the Government Downsizing, Perform-  
 15 ance, and Accountability Act of 1994” after “child  
 16 care services”.

17 (2) CONSOLIDATION OF FUNDING.—Section  
 18 2003(c) of such Act (42 U.S.C. 1397b(c)) is amend-  
 19 ed—

20 (A) in paragraph (4), by striking “and”;

21 (B) in paragraph (5), by striking “each  
 22 fiscal year after fiscal year 1989.” and inserting  
 23 “the fiscal years 1990, 1991, 1992, 1993, and  
 24 1994; and”;

25 (C) by adding at the end the following:



1           “(6) \$2,976,000,000 for each of the fiscal years  
2           1995, 1996, 1997, 1998, and 1999.”.

3           (b) CERTAIN DISCRETIONARY SOCIAL SERVICES  
4 PROGRAMS MERGED INTO PROGRAM OF BLOCK GRANTS  
5 TO STATES FOR SOCIAL SERVICES BUT LEFT DISCRE-  
6 TIONARY.—

7           (1) CONSOLIDATION OF SERVICES.—Section  
8           2002 of such Act (42 U.S.C. 1397a) is amended—

9                       (A) in subsection (a), by adding at the end  
10           the following:

11           “(3) In addition to payments pursuant to paragraph  
12 (1), the Secretary may make payments to a State under  
13 this title for a fiscal year in an amount equal to its addi-  
14 tional allotment for such fiscal year, to be used by such  
15 State for services directed at the goals set forth in section  
16 2001, subject to the requirements of this title.

17           “(4) For purposes of paragraph (3)—

18                       “(A) services which are directed at the goals set  
19           forth in section 2001 include services that could  
20           have been provided under—

21                               “(i) the Community Services Block Grant  
22           Act;

23                               “(ii) the Child Care and Development  
24           Block Grant Act of 1990;

1           “(iii) title III or VII of the Older Ameri-  
2           cans Act of 1965; or

3           “(iv) the State Dependent Care Develop-  
4           ment Grants Act,

5           as in effect immediately before the date of enact-  
6           ment of the Government Downsizing, Performance,  
7           and Accountability Act of 1994; and

8           “(B) expenditures for such services may include  
9           expenditures described in paragraph (2)(B).”; and

10           (B) in each of subsections (b), (c), and (d),  
11           by inserting “or additional allotment” after “al-  
12           lotment” each place such term appears.

13           (2) CONSOLIDATION OF FUNDING.—Section  
14           2003 of such Act (42 U.S.C. 1397b) is amended by  
15           adding at the end the following:

16           “(d) The additional allotment for any fiscal year to  
17           each State shall be determined in the same manner in  
18           which the allotment for the fiscal year is determined for  
19           the State under the preceding subsections of this section,  
20           except that, in making such determination the following  
21           amounts shall be used in lieu of the amount specified in  
22           subsection (c):

23           “(1) \$2,298,000,000 for the fiscal year 1995.

24           “(2) \$2,360,000,000 for the fiscal year 1996.

25           “(3) \$2,424,000,000 for the fiscal year 1997.

1 “(4) \$2,490,000,000 for the fiscal year 1998.

2 “(5) \$2,557,000,000 for the fiscal year 1999.”.

3 (c) CONFORMING AMENDMENTS AND REPEALS.—

4 (1) COMMUNITY SERVICES BLOCK GRANT  
5 ACT.—The Community Services Block Grant Act  
6 (42 U.S.C. 9901 et seq.) is hereby repealed.

7 (2) CHILD CARE AND DEVELOPMENT BLOCK  
8 GRANT ACT OF 1990.—The Child Care and Develop-  
9 ment Block Grant Act of 1990 (42 U.S.C. 9858 et  
10 seq.) is hereby repealed.

11 (3) OLDER AMERICANS ACT OF 1965.—The  
12 Older Americans Act of 1965 (42 U.S.C. 3001 et  
13 seq.) is amended by striking titles III and VII.

14 (4) STATE DEPENDENT CARE DEVELOPMENT  
15 GRANTS ACT.—The State Dependent Care Develop-  
16 ment Grants Act (42 U.S.C. 9871 et seq.) is hereby  
17 repealed.

18 (5) AT-RISK CHILD CARE PROGRAM.—

19 (A) PROGRAM AUTHORITY.—Section 402  
20 of the Social Security Act (42 U.S.C. 602) is  
21 amended—

22 (i) in subsection (g)(7), by striking

23 “and subsection (i)”;

24 (ii) by striking subsection (i).

1 (B) FUNDING PROVISIONS.—Section 403  
2 of the Social Security Act (42 U.S.C. 603) is  
3 amended by striking subsection (n).

4 (d) EFFECTIVE DATE.—The amendments and re-  
5 peals made by this section shall take effect on October  
6 1, 1994.

7 **SEC. 2103. INCREASED FLEXIBILITY IN CONTRACTING FOR**  
8 **MEDICARE CLAIMS PROCESSING.**

9 (a) CARRIERS TO INCLUDE ENTITIES THAT ARE  
10 NOT INSURANCE COMPANIES.—

11 (1) The matter in section 1842(a) of the Social  
12 Security Act preceding paragraph (1) is amended by  
13 striking “with carriers” and inserting “with agencies  
14 and organizations (referred to as carriers”).

15 (2) Section 1842(f) of the Act is repealed.

16 (b) ELIMINATION OF INTERMEDIARY NOMINATION  
17 BY PROVIDERS OF SERVICES; SECRETARIAL FLEXIBILITY  
18 IN ASSIGNING FUNCTIONS TO INTERMEDIARIES AND  
19 CARRIERS.—

20 (1) Section 1816 of that Act is amended by  
21 striking everything after the heading but before sub-  
22 section (b) and inserting the following:

23 “SEC. 1816. (a)(1) The Secretary may enter into  
24 agreements with agencies or organizations to perform

1 some or all of the following functions (or parts of those  
2 functions):

3           “(A) determine (subject to the provisions of sec-  
4 tion 1878 and to such review by the Secretary as  
5 may be provided for by the agreements) the amount  
6 of the payments required pursuant to this part to be  
7 made to providers of services,

8           “(B) make payments described in subparagraph  
9 (A),

10           “(C) provide consultative services to institutions  
11 or agencies to enable them to establish and maintain  
12 fiscal records necessary for purposes of this part and  
13 otherwise to qualify as hospitals, extended care fa-  
14 cilities, and home health agencies,

15           “(D) serve as a center for, and communicate to  
16 providers, any information or instructions furnished  
17 to the agency or organization by the Secretary, and  
18 serve as a channel of communication from providers  
19 to the Secretary,

20           “(E) make such audits of the records of provid-  
21 ers as may be necessary to ensure that proper pay-  
22 ments are made under this part, and

23           “(F) perform such other functions as are nec-  
24 essary to carry out the purposes of this part.

1       “(2) As used in this title and part B of title XI, the  
2 term ‘fiscal intermediary’ means an agency or organiza-  
3 tion with a contract under this section.”.

4           (2) Subsections (d) and (e) of section 1816 of  
5 that Act are repealed.

6           (3) Section 1816(f)(1) of that Act is amended  
7 by striking the second sentence.

8           (4) The matter in section 1842(a) of that Act  
9 preceding paragraph (1) is amended by inserting “,  
10 or parts of those functions” after “following func-  
11 tions”.

12          (5) Section 1842(b)(3)(G) of that Act is  
13 amended by inserting “(unless provided by another  
14 carrier)” after “will provide”.

15          (6) The matter in section 1842(b)(3)(H) of that  
16 Act preceding clause (i) is amended by striking “im-  
17 plement—” and inserting “implement (as appro-  
18 priate)—”.

19          (7) Section 1842(b)(3)(L) of that Act is amend-  
20 ed by inserting “(as appropriate)” after “will”.

21          (8) The first sentence of section 1842(h)(2) of  
22 that Act is amended by inserting “(unless main-  
23 tained by another carrier)” after “shall maintain”.

24       (c) ELIMINATION OF SPECIAL PROVISIONS FOR TER-  
25 MINATION OF CONTRACTS.—

1           (1) Section 1816(f)(1) of that Act is amended  
2       by striking “, renew, or terminate” and “or reas-  
3       sign”.

4           (2) Section 1816(g) of that Act is repealed.

5           (3) Section 1842(b) of that Act is amended by  
6       striking paragraph (5).

7       (d) REPEAL OF PROHIBITION AGAINST DATA  
8       MATCHING.—Sections 1816(c)(1) and 1842(b)(2)(A) of  
9       that Act are each amended by striking the last sentence.

10       (e) REPEAL OF COST REIMBURSEMENT REQUIRE-  
11       MENTS.—

12           (1) The first sentence of section 1816(c)(1) of  
13       that Act is amended—

14                (A) by striking the comma after “appro-  
15                priate” and inserting “and”; and

16                (B) by striking everything after “sub-  
17                section (a)” up to the period.

18           (2) Section 1816(c)(1) of that Act is further  
19       amended by striking the remaining sentences.

20           (3) The first sentence of section 1842(c)(1)(A)  
21       of that Act is amended—

22                (A) by striking “shall provide” the first  
23                place it occurs and inserting “may provide”;  
24                and

1 (B) by striking everything after “this  
2 part” up to the period.

3 (4) Section 1842(c)(1)(A) of that Act is further  
4 amended by striking the remaining sentences.

5 (5) Section 2326(a) of the Deficit Reduction  
6 Act of 1984 is repealed.

7 (f) ELIMINATION OF SEPARATE CARRIER FOR RAIL-  
8 ROAD RETIREES.—Section 1842(g) of the Social Security  
9 Act is repealed.

10 (g) EFFECTIVE DATE.—The amendments made by  
11 the preceding subsections apply to contracts (including re-  
12 newals) entered into after the third calendar month that  
13 begins after the date of enactment of this Act.

14 **SEC. 2104. FEDERAL CLEARINGHOUSE ON DEATH INFOR-**  
15 **MATION.**

16 (a) CLEARINGHOUSE DESIGNATION.—The heading  
17 for section 205(r) of the Social Security Act is amended  
18 to read as follows: “Clearinghouse on Death Information”.

19 (b) ACQUISITION OF DISCLOSABLE DEATH INFORMA-  
20 TION FROM STATES.—

21 (1) Section 205(r)(1)(A) of the Social Security  
22 Act is amended by striking “to furnish the Secretary  
23 periodically with” and inserting “to furnish periodi-  
24 cally to the Secretary, for use in carrying out sub-  
25 paragraph (B) and paragraphs (3) and (4),”.



1           (2)(A) Notwithstanding clause (ii) of section  
2           6103(d)(4)(B) of the Internal Revenue Code of 1986  
3           (as added by section 13444(a) of the Omnibus  
4           Budget Reconciliation Act of 1993 (Pub. L. 103–  
5           66)), in order for a contract requiring a State to  
6           furnish the Secretary of Health and Human Services  
7           information concerning individuals with respect to  
8           whom death certificates (or equivalent documents  
9           maintained by the State or any subdivision thereof)  
10          have been officially filed with it to meet the require-  
11          ments of such section 6103(d)(4)(B), such contract  
12          shall authorize the Secretary to use such information  
13          and to redisclose such information to any Federal  
14          agency or any agency of a State or political subdivi-  
15          sion in accordance with section 205(r) of the Social  
16          Security Act.

17          (B) The provisions of subparagraph (A) of this  
18          paragraph and, notwithstanding subparagraph (C)  
19          of section 6103(d)(4) of the Internal Revenue Code  
20          of 1986 (as added by section 13444(a) of the Omni-  
21          bus Budget Reconciliation Act of 1993 (Pub. L.  
22          103–66)), the provisions of subparagraphs (A) and  
23          (B) of such section 6103(d)(4) shall apply to all  
24          States, regardless of whether they were, on July 1,  
25          1993, pursuant to a contract, furnishing the Sec-

1       retary of Health and Human Services information  
 2       concerning individuals with respect to whom death  
 3       certificates (or equivalent documents maintained by  
 4       the State or any subdivision thereof) have been offi-  
 5       cially filed with it.

6           (C) Subparagraphs (A) and (B) of this para-  
 7       graph shall take effect at the same time as the  
 8       amendment made by section 13444(a) of the Omni-  
 9       bus Budget Reconciliation Act of 1993 takes effect.

10          (D) For the purpose of applying the special rule  
 11       contained in section 13444(b)(2) of the Omnibus  
 12       Budget Reconciliation Act of 1993, the reference in  
 13       such section to section 6103(d)(4)(B) of the Internal  
 14       Revenue Code of 1986 shall be deemed to include a  
 15       reference to subparagraph (A) of this paragraph.

16       (c) PAYMENT TO STATES FOR DEATH INFORMA-  
 17       TION.—Section 205(r)(2) of the Social Security Act is  
 18       amended—

19           (1) by striking “the reasonable costs” and in-  
 20       serting “a reasonable amount”; and

21           (2) by striking “transcribing and transmitting”  
 22       and inserting “furnishing”.

23       (d) FEE FOR CLEARINGHOUSE INFORMATION.—

24           (1) Section 205(r)(3) of the Social Security Act  
 25       is amended by striking out “if” and all that follows,

1 and inserting “, provided that such agency agrees to  
2 pay the fees set by the Secretary pursuant to para-  
3 graph (8).”.

4 (2) Section 205(r)(4) of the Social Security Act  
5 is amended—

6 (A) by inserting “and political subdivi-  
7 sions” after “States” the first place such term  
8 appears;

9 (B) by striking “the States” and inserting  
10 “any State, political subdivision, or combination  
11 thereof”; and

12 (C) by striking “if” and all that follows  
13 and inserting “provided such States and politi-  
14 cal subdivisions agree to pay the fees set by the  
15 Secretary pursuant to paragraph (8).”.

16 (3) Section 205(r) of the Social Security Act is  
17 amended by adding at the end a new paragraph as  
18 follows: “(8) The Secretary shall establish fees for  
19 the disclosure of information pursuant to this sub-  
20 section. Such fees shall be in amounts sufficient to  
21 cover all costs (including indirect costs) associated  
22 with the Secretary’s responsibilities under this sub-  
23 section. Fees collected pursuant to this paragraph  
24 shall remain available, without fiscal year limitation,

1 to the Secretary to cover the administrative costs of  
2 carrying out this subsection.”.

3 (e) TECHNICAL ASSISTANCE.—Section 205(r) of the  
4 Social Security Act is amended by adding at the end (after  
5 the paragraph added by subsection (d)(3)) the following  
6 new paragraph:

7 “(9) The Secretary may provide to any Federal or  
8 State agency that provides Federally funded benefits,  
9 upon the request of such agency, technical assistance on  
10 the effective collection, dissemination, and use of death in-  
11 formation available under this subsection for the purpose  
12 of ensuring that such benefits are not erroneously paid  
13 to deceased individuals.”.

14 (f) TECHNICAL AMENDMENT.—Section 205(r) of the  
15 Social Security Act is amended by adding at the end (after  
16 the paragraph added by subsection (e)) the following new  
17 paragraph:

18 “(10) For purposes of this subsection, the term ‘Fed-  
19 erally funded benefit’ means any payment funded in whole  
20 or in part by the Federal Government.”.

21 (g) EFFECTIVE DATE.—Except as otherwise pro-  
22 vided, the amendments made by this section shall take ef-  
23 fect upon their enactment.

1 **SEC. 2105. CONTINUING DISABILITY REVIEWS.**

2 Section 201(g)(1)(A) of the Social Security Act is  
 3 amended by adding at the end of the paragraph the follow-  
 4 ing sentence: “From funds provided pursuant to this sub-  
 5 paragraph for the following fiscal years, not less than the  
 6 following amounts shall be available only for conducting  
 7 continuing disability reviews and related workloads: for  
 8 fiscal year 1994, \$46 million; for fiscal year 1995,  
 9 \$47,200,000; for fiscal year 1996, \$48,500,000; for fiscal  
 10 year 1997, \$49,800,000; for fiscal year 1998,  
 11 \$51,100,000; and for fiscal year 1999, \$52,500,000.”.

12 **SEC. 2106. PROVISION OF DATA BANK INFORMATION TO DE-**  
 13 **PARTMENT OF VETERANS AFFAIRS.**

14 (a) ADDITIONAL PURPOSE OF DATA BANK.—

15 (1) The heading to section 1144 of the Social  
 16 Security Act is amended by striking “**MEDICARE**  
 17 **AND MEDICAID**” and inserting “**HEALTH CARE**”.

18 (2) Subsection (a) of that section is amended—

19 (A) in the matter preceding paragraph (1),  
 20 by striking “Medicare and Medicaid” and in-  
 21 serting “Health Care”;

22 (B) by striking “and” at the end of para-  
 23 graph (1);

24 (C) by substituting “, and” for the period  
 25 at the end of paragraph (2); and

26 (D) by adding at the end the following:

10 SEC. 2107. HUD MULTIFAMILY HOUSING DISPOSITION  
11 PROCESS.

(1) the portfolio of multifamily housing project mortgages insured by the FHA is severely troubled and at risk of default, requiring the Secretary to increase loss reserves from \$5,500,000,000 in 1991 to \$11,900,000,000 in 1992 to cover estimated future losses;

23 (3) the cost to the Federal Government of own-  
24 ing and maintaining multifamily housing projects es-

1 calated to approximately \$250,000,000 in fiscal year  
2 1992;

3 (4) the inventory of multifamily housing  
4 projects subject to mortgages held by the Secretary  
5 has increased dramatically, to more than 2,400  
6 mortgages, and approximately half of these mort-  
7 gages, with over 230,000 units, are delinquent;

8 (5) the inventory of insured and formerly in-  
9 sured multifamily housing projects is rapidly deterio-  
10 rating, endangering tenants and neighborhoods;

11 (6) over 5 million families today have a critical  
12 need for housing that is affordable and habitable;  
13 and

14 (7) the current statutory framework governing  
15 the disposition of multifamily housing projects effec-  
16 tively impedes the Government's ability to dispose of  
17 properties, protect tenants, and ensure that projects  
18 are maintained over time.

19 (b) MANAGEMENT AND DISPOSITION OF MULTIFAM-  
20 ILY HOUSING PROJECTS.—Section 203 of the Housing  
21 and Community Development Amendments of 1978 (12  
22 U.S.C. 1701z–11) is amended to read as follows:

1 **“SEC. 203. MANAGEMENT AND DISPOSITION OF MULTIFAM-**  
2 **ILY HOUSING PROJECTS.**

3 “(a) GOALS.—The Secretary of Housing and Urban  
4 Development (in this section referred to as the ‘Secretary’)  
5 shall manage or dispose of multifamily housing projects  
6 that are owned by the Secretary or that are subject to  
7 a mortgage held by the Secretary in a manner that—

8 “(1) is consistent with the National Housing  
9 Act and this section;

10 “(2) will protect the financial interests of the  
11 Federal Government; and

12 “(3) will, in the least costly fashion among rea-  
13 sonable available alternatives, further the goals of—

14 “(A) preserving housing so that it can re-  
15 main available to and affordable by low-income  
16 persons;

17 “(B) preserving and revitalizing residential  
18 neighborhoods;

19 “(C) maintaining existing housing stock in  
20 a decent, safe, and sanitary condition;

21 “(D) minimizing the involuntary displace-  
22 ment of tenants;

23 “(E) maintaining housing for the purpose  
24 of providing rental housing, cooperative hous-  
25 ing, and homeownership opportunities for low-  
26 income persons; and



1                   “(F) minimizing the need to demolish mul-  
2                   tifamily housing projects.

3   The Secretary, in determining the manner in which a  
4   project is to be managed or disposed of, may balance com-  
5   peting goals relating to individual projects in a manner  
6   that will further the purposes of this section.

7           “(b) DEFINITIONS.—For purposes of this section, the  
8   following definitions shall apply:

9           “(1) MULTIFAMILY HOUSING PROJECT.—The  
10   term ‘multifamily housing project’ means any multi-  
11   family rental housing project which is, or prior to  
12   acquisition by the Secretary was, assisted or insured  
13   under the National Housing Act, or was subject to  
14   a loan under section 202 of the Housing Act of  
15   1959.

16           “(2) SUBSIDIZED PROJECT.—The term ‘sub-  
17   sidized project’ means a multifamily housing project  
18   receiving any of the following types of assistance im-  
19   mediately prior to the assignment of the mortgage  
20   on such project to, or the acquisition of such mort-  
21   gage by, the Secretary:

22           “(A) Below market interest rate mortgage  
23   insurance under the proviso of section  
24   221(d)(5) of the National Housing Act.

1 “(B) Interest reduction payments made in  
2 connection with mortgages insured under sec-  
3 tion 236 of the National Housing Act.

4 “(C) Direct loans made under section 202  
5 of the Housing Act of 1959.

6 “(D) Assistance in the form of—

7 “(i) rent supplement payments under  
8 section 101 of the Housing and Urban De-  
9 velopment Act of 1965;

10 “(ii) housing assistance payments  
11 made under section 23 of the United  
12 States Housing Act of 1937 (as in effect  
13 before January 1, 1975); or

14 “(iii) housing assistance payments  
15 made under section 8 of the United States  
16 Housing Act of 1937 (excluding payments  
17 made for tenant-based assistance under  
18 section 8),

19 if (except for purposes of section 183(c) of the  
20 Housing and Community Development Act of  
21 1987) such assistance payments are made to  
22 more than 50 percent of the units in the  
23 project.

24 “(3) FORMERLY SUBSIDIZED PROJECT.—The  
25 term ‘formerly subsidized project’ means a multi-

1 family housing project owned by the Secretary that  
2 was a subsidized project immediately prior to its ac-  
3 quisition by the Secretary.

4 “(4) UNSUBSIDIZED PROJECT.—The term  
5 ‘unsubsidized project’ means a multifamily housing  
6 project owned by the Secretary that is not a sub-  
7 sidized project or a formerly subsidized project.

8 “(c) MANAGEMENT OR DISPOSITION OF PROP-  
9 ERTY.—

10 “(1) DISPOSITION TO PURCHASERS.—The Sec-  
11 retary is authorized, in carrying out this section, to  
12 dispose of a multifamily housing project owned by  
13 the Secretary on a negotiated, competitive bid, or  
14 other basis, on such terms as the Secretary deems  
15 appropriate considering the low-income character of  
16 the project and the requirements of subsection (a),  
17 to a purchaser determined by the Secretary to be ca-  
18 pable of—

19 “(A) satisfying the conditions of the dis-  
20 position;

21 “(B) implementing a sound financial and  
22 physical management program that is designed  
23 to enable the project to meet anticipated oper-  
24 ating and repair expenses to ensure that the

1 project will remain in decent, safe, and sanitary  
2 condition;

3 “(C) responding to the needs of the ten-  
4 ants and working cooperatively with tenant or-  
5 ganizations;

6 “(D) providing adequate organizational  
7 staff and financial resources to the project; and

8 “(E) meeting such other requirements as  
9 the Secretary may determine.

10 “(2) CONTRACTING FOR MANAGEMENT SERV-  
11 ICES.—The Secretary is authorized, in carrying out  
12 this section—

13 “(A) to contract for management services  
14 for a multifamily housing project that is owned  
15 by the Secretary (or for which the Secretary is  
16 mortgagee in possession), on a negotiated, com-  
17 petitive bid, or other basis at a price deter-  
18 mined by the Secretary to be reasonable, with  
19 a manager the Secretary has determined is ca-  
20 pable of—

21 “(i) implementing a sound financial  
22 and physical management program that is  
23 designed to enable the project to meet an-  
24 ticipated operating and maintenance ex-  
25 penses to ensure that the project will re-

1 main in decent, safe, and sanitary condi-  
2 tion;

3 “(ii) responding to the needs of the  
4 tenants and working cooperatively with  
5 tenant organizations;

6 “(iii) providing adequate organiza-  
7 tional, staff, and other resources to imple-  
8 ment a management program determined  
9 by the Secretary; and

10 “(iv) meeting such other requirements  
11 as the Secretary may determine; and

12 “(B) to require the owner of a multifamily  
13 housing project that is subject to a mortgage  
14 held by the Secretary to contract for manage-  
15 ment services for the project in the manner de-  
16 scribed in subparagraph (A).

17 “(d) MAINTENANCE OF HOUSING PROJECTS.—

18 “(1) HOUSING PROJECTS OWNED BY THE SEC-  
19 RETARY.—In the case of multifamily housing  
20 projects that are owned by the Secretary (or for  
21 which the Secretary is mortgagee in possession), the  
22 Secretary shall—

23 “(A) to the greatest extent possible, main-  
24 tain all such occupied projects in a decent, safe,  
25 and sanitary condition;

1           “(B) to the greatest extent possible, main-  
2           tain full occupancy in all such projects; and

3           “(C) maintain all such projects for pur-  
4           poses of providing rental or cooperative hous-  
5           ing.

6           “(2) HOUSING PROJECTS SUBJECT TO A MORT-  
7           GAGE HELD BY THE SECRETARY.—In the case of  
8           any multifamily housing project that is subject to a  
9           mortgage held by the Secretary, the Secretary shall  
10          require the owner of the project to carry out the re-  
11          quirements of paragraph (1).

12          “(e) REQUIRED ASSISTANCE.—In carrying out the  
13          goal specified in subsection (a)(3)(A), the Secretary shall  
14          take not less than one of the following actions:

15               “(1) CONTRACT WITH OWNER.—Enter into con-  
16          tracts under section 8 of the United States Housing  
17          Act of 1937, to the extent budget authority is avail-  
18          able, with owners of multifamily housing projects  
19          that are acquired by a purchaser other than the Sec-  
20          retary at foreclosure or after sale by the Secretary.

21               “(A) SUBSIDIZED OR FORMERLY SUB-  
22          SIDIZED PROJECTS RECEIVING CERTAIN ASSIST-  
23          ANCE.—In the case of a subsidized or formerly  
24          subsidized project referred to in subparagraphs  
25          (A) through (C) of subsection (b)(2)—

1           “(i) the contract shall be sufficient to  
2           assist at least all units covered by an as-  
3           sistance contract under any of the authori-  
4           ties referred to in subsection (b)(2)(D) be-  
5           fore acquisition, unless the Secretary acts  
6           pursuant to the provisions of subparagraph  
7           (C);

8           “(ii) in the case of units requiring  
9           project-based rental assistance pursuant to  
10          this paragraph that are occupied by fami-  
11          lies who are not eligible for assistance  
12          under section 8, a contract under this sub-  
13          paragraph shall also provide that when a  
14          vacancy occurs, the owner shall lease the  
15          available unit to a family eligible for assist-  
16          ance under section 8; and

17          “(iii) the Secretary shall take actions  
18          to ensure the availability and affordability,  
19          as defined in paragraph (3)(B), for the re-  
20          maining useful life of the project, as de-  
21          fined by the Secretary, of any unit located  
22          in any project referred to in subparagraphs  
23          (A) through (C) of subsection (b)(2) that  
24          does not otherwise receive project-based as-  
25          sistance under this subparagraph. To carry

1 out this clause, the Secretary may require  
2 purchasers to establish use or rent restric-  
3 tions maintaining affordability, as defined  
4 in paragraph (3)(B).

5 “(B) SUBSIDIZED OR FORMERLY SUB-  
6 SIDIZED PROJECTS RECEIVING OTHER ASSIST-  
7 ANCE.—In the case of a subsidized or formerly  
8 subsidized project referred to in subsection  
9 (b)(2)(D)—

10 “(i) the contract shall be sufficient to  
11 assist at least all units in the project that  
12 are covered, or were covered immediately  
13 before foreclosure on or acquisition of the  
14 project by the Secretary, by an assistance  
15 contract under any of the authorities re-  
16 ferred to in such subsection, unless the  
17 Secretary acts pursuant to provisions of  
18 subparagraph (C); and

19 “(ii) in the case of units requiring  
20 project-based rental assistance pursuant to  
21 this paragraph that are occupied by fami-  
22 lies who are not eligible for assistance  
23 under section 8, a contract under this  
24 paragraph shall also provide that when a  
25 vacancy occurs, the owner shall lease the



1           available unit to a family eligible for assist-  
2           ance under section 8.

3           “(C) EXCEPTIONS TO SUBPARAGRAPHS (A)  
4           AND (B).—In lieu of providing project-based as-  
5           sistance under subparagraph (A) or (B), the  
6           Secretary may require certain units in  
7           unsubsidized projects to contain use restrictions  
8           providing that such units will be available to  
9           and affordable by very low-income families for  
10          the remaining useful life of the project, as de-  
11          fined by the Secretary, if—

12               “(i) the Secretary matches any reduc-  
13               tion in units otherwise required to be as-  
14               sisted with project-based assistance under  
15               subparagraph (A) or (B) with at least an  
16               equivalent increase in units made afford-  
17               able to very low-income persons within  
18               unsubsidized projects;

19               “(ii) low-income tenants residing in  
20               units otherwise requiring project-based as-  
21               sistance under subparagraph (A) or (B)  
22               upon disposition receive section 8 tenant-  
23               based assistance; and

24               “(iii) the units described in clause (i)  
25               are located within the same market area.

1           “(D) CONTRACT REQUIREMENTS FOR  
2           UNSUBSIDIZED PROJECTS.—Notwithstanding  
3           actions taken pursuant to subparagraph (C), in  
4           unsubsidized projects, the contract shall at least  
5           be sufficient to provide—

6                   “(i) project-based rental assistance for  
7                   all units that are covered or were covered  
8                   immediately before foreclosure or acquisi-  
9                   tion by an assistance contract under—

10                   “(I) section 8(b)(2) of the United  
11                   States Housing Act of 1937 (as such  
12                   section existed before October 1,  
13                   1983) (new construction and substan-  
14                   tial rehabilitation); section 8(b) of  
15                   such Act (property disposition); sec-  
16                   tion 8(d)(2) of such Act (project-  
17                   based certificates); section 8(e)(2) of  
18                   such Act (moderate rehabilitation);  
19                   section 23 of such Act (as in effect  
20                   before January 1, 1975); or section  
21                   101 of the Housing and Urban Devel-  
22                   opment Act of 1965 (rent supple-  
23                   ments); or

24                   “(II) section 8 of the United  
25                   States Housing Act of 1937, following

1 conversion from section 101 of the  
2 Housing and Urban Development Act  
3 of 1965; and

4 “(ii) tenant-based assistance under  
5 section 8 of the United States Housing Act  
6 of 1937 for tenants currently residing in  
7 units that were covered by an assistance  
8 contract under the Loan Management Set-  
9 Aside program under section 8(b) of the  
10 United States Housing Act of 1937 imme-  
11 diately before foreclosure or acquisition of  
12 the project by the Secretary.

13 “(2) ANNUAL CONTRIBUTION CONTRACTS.—In  
14 the case of multifamily housing projects that are ac-  
15 quired by a purchaser other than the Secretary at  
16 foreclosure or after sale by the Secretary, enter into  
17 annual contribution contracts with public housing  
18 agencies to provide tenant-based assistance under  
19 section 8 of the United States Housing Act of 1937  
20 to all low-income families who are eligible for such  
21 assistance on the date that the project is acquired  
22 by the purchaser. The Secretary shall take action  
23 under this paragraph only after making a deter-  
24 mination that there is available in the area an ade-  
25 quate supply of habitable affordable housing for low-

1 income families. Actions taken pursuant to this  
2 paragraph may be taken in connection with not  
3 more than 10 percent of the aggregate number of  
4 units in subsidized or formerly subsidized projects  
5 disposed of by the Secretary annually.

6 “(3) OTHER ASSISTANCE.—

7 “(A) IN GENERAL.—In accordance with  
8 the authority provided under the National  
9 Housing Act, reduce the selling price, apply use  
10 or rent restrictions on certain units, or provide  
11 other financial assistance to the owners of mul-  
12 tifamily housing projects that are acquired by a  
13 purchaser other than the Secretary at fore-  
14 closure, or after sale by the Secretary, on terms  
15 which will ensure that—

16 “(i) at least those units otherwise re-  
17 quired to receive project-based section 8  
18 assistance pursuant to subparagraphs (A),  
19 (B), or (D) of paragraph (1) are available  
20 to and affordable by low-income persons;  
21 and

22 “(ii) for the remaining useful life of  
23 the project, as defined by the Secretary,  
24 there shall be in force such use or rent re-  
25 strictions as the Secretary may prescribe.

1           “(B) DEFINITION.—A unit shall be consid-  
2           ered affordable under this paragraph if—

3                   “(i) for very low-income tenants, the  
4                   rent for such unit does not exceed 30 per-  
5                   cent of 50 percent of the area median in-  
6                   come, as determined by the Secretary, with  
7                   adjustments for family size; and

8                   “(ii) for low-income tenants other  
9                   than very low-income tenants, the rent for  
10                  such unit does not exceed 30 percent of 80  
11                  percent of the area median income, as de-  
12                  termined by the Secretary, with adjust-  
13                  ments for family size.

14           “(C) VERY LOW-INCOME TENANTS.—The  
15           Secretary shall provide assistance under section  
16           8 of the United States Housing Act of 1937 to  
17           any very low-income tenant currently residing  
18           in a unit otherwise required to receive project-  
19           based assistance under section 8, pursuant to  
20           subparagraph (A), (B), or (D) of paragraph  
21           (1), if the rents charged such tenants as a re-  
22           sult of actions taken pursuant to this para-  
23           graph exceed the amount payable as rent under  
24           section 3(a) of the United States Housing Act  
25           of 1937.

1           “(4) TRANSFER FOR USE UNDER OTHER PRO-  
2       GRAMS OF THE SECRETARY.—

3           “(A) IN GENERAL.—Enter into an agree-  
4       ment providing for the transfer of a multifamily  
5       housing project—

6           “(i) to a public housing agency for use  
7       of the project as public housing; or

8           “(ii) to an owner or another appro-  
9       priate entity for use of the project under  
10      section 202 of the Housing Act of 1959 or  
11      under section 811 of the Cranston-Gon-  
12      zalez National Affordable Housing Act.

13          “(B) REQUIREMENTS FOR AGREEMENT.—  
14      The agreement described in subparagraph (A)  
15      shall—

16          “(i) contain such terms, conditions,  
17      and limitations as the Secretary deter-  
18      mines appropriate, including requirements  
19      to assure use of the project under the pub-  
20      lic housing, section 202, and section 811  
21      programs; and

22          “(ii) ensure that no current tenant  
23      will be displaced as a result of actions  
24      taken under this paragraph.

1       “(f) OTHER ASSISTANCE.—In addition to the actions  
2 authorized by subsection (e), the Secretary may take any  
3 of the following actions:

4           “(1) SHORT-TERM LOANS.—Provide short-term  
5 loans to facilitate the sale of multifamily housing  
6 projects to nonprofit organizations or to public agen-  
7 cies if—

8           “(A) authority for such loans is provided  
9 in advance in an appropriations Act;

10          “(B) such loans are for a term of not more  
11 than 5 years;

12          “(C) the Secretary is presented with satis-  
13 factory documentation, evidencing a commit-  
14 ment of permanent financing to replace such  
15 short-term loan, from a lender who meets  
16 standards set forth by the Secretary; and

17          “(D) the terms of such loans are consist-  
18 ent with prevailing practices in the marketplace  
19 or the provision of such loans results in no cost  
20 to the Government, as defined in section 502 of  
21 the Congressional Budget Act.

22          “(2) TENANT-BASED ASSISTANCE.—In connec-  
23 tion with projects referred to in subsection (e), make  
24 available tenant-based assistance under section 8 of  
25 the United States Housing Act of 1937 to very low-

1 income families (as defined in section 3(b)(2) of the  
2 United States Housing Act of 1937) that do not  
3 otherwise qualify for project-based assistance.

4 “(3) ALTERNATIVE USES.—

5 “(A) IN GENERAL.—Notwithstanding any  
6 other provision of law, and subject to notice to  
7 and comment from existing tenants, allow not  
8 more than—

9 “(i) 5 percent of the total number of  
10 units in multifamily housing projects that  
11 are disposed of by the Secretary during  
12 any 1-year period to be made available for  
13 uses other than rental or cooperative uses,  
14 including low-income homeownership op-  
15 portunities, or in any particular project,  
16 community space, office space for tenant  
17 or housing-related service providers or se-  
18 curity programs, or small business uses, if  
19 such uses benefit the tenants of the  
20 project; and

21 “(ii) 5 percent of the total number of  
22 units in multifamily housing projects that  
23 are disposed of by the Secretary during  
24 any 1-year period to be used in any man-  
25 ner, if the Secretary and the unit of gen-



1           eral local government or area-wide govern-  
 2           ing body determine that such use will fur-  
 3           ther fair housing, community development,  
 4           or neighborhood revitalization goals.

5           “(B) DISPLACEMENT PROTECTION.—The  
 6           Secretary shall make available tenant-based  
 7           rental assistance under section 8 of the United  
 8           States Housing Act of 1937 to any tenant dis-  
 9           placed as a result of actions taken by the Sec-  
 10          retary pursuant to subparagraph (A), and the  
 11          Secretary shall take such actions as the Sec-  
 12          retary determines necessary to ensure the suc-  
 13          cessful use of any tenant-based assistance.

14          “(g) AUTHORIZATION OF USE OR RENT RESTRIC-  
 15          TIONS IN UNSUBSIDIZED PROJECTS.—In carrying out the  
 16          goals specified in subsection (a), the Secretary may re-  
 17          quire certain units in unsubsidized projects to contain use  
 18          or rent restrictions providing that such units will be avail-  
 19          able to and affordable by very low-income persons for the  
 20          remaining useful life of the property, as defined by the  
 21          Secretary.

22          “(h) CONTRACT REQUIREMENTS.—

23               “(1) CONTRACT TERM.—

24                   “(A) IN GENERAL.—Contracts for project-  
 25           based rental assistance under section 8 of the

1 United States Housing Act of 1937 provided  
2 pursuant to this section shall be for a term of  
3 not more than 15 years; and

4 “(B) CONTRACT TERM OF LESS THAN 15  
5 YEARS.—Notwithstanding subparagraph (A), to  
6 the extent that units receive project-based as-  
7 sistance for a contract term of less than 15  
8 years, the Secretary shall require that rents  
9 charged to tenants for such units not exceed  
10 the amount payable for rent under section 3(a)  
11 of the United States Housing Act of 1937 for  
12 a period of at least 15 years.

13 “(2) CONTRACT RENT.—

14 “(A) IN GENERAL.—The Secretary shall  
15 set contract rents for section 8 project-based  
16 rental contracts issued under this section at lev-  
17 els that, in conjunction with other resources  
18 available to the purchaser, provide for the nec-  
19 essary costs of rehabilitation of such project  
20 and do not exceed the percentage of the existing  
21 housing fair market rents for the area (as de-  
22 termined by the Secretary under section 8(c) of  
23 the United States Housing Act of 1937) as the  
24 Secretary may prescribe.

1           “(B) UP-FRONT GRANTS AND LOANS.—If  
2           such an approach is determined to be more  
3           cost-effective, the Secretary may utilize the  
4           budget authority provided for project-based sec-  
5           tion 8 contracts issued under this section to—

6                   “(i) provide project-based section 8  
7                   rental assistance; and

8                   “(ii) (I) provide up-front grants for the  
9                   necessary cost of rehabilitation; or

10                   “(II) pay for any cost to the Govern-  
11                   ment, as defined in section 502 of the Con-  
12                   gressional Budget Act, for loans made pur-  
13                   suant to subsection (f)(1).

14           “(i) DISPOSITION PLAN.—

15                   “(1) IN GENERAL.—Prior to the sale of a mul-  
16                   tifamily housing project that is owned by the Sec-  
17                   retary, the Secretary shall develop a disposition plan  
18                   for the project that specifies the minimum terms  
19                   and conditions of the Secretary for disposition of the  
20                   project, the initial sales price that is acceptable to  
21                   the Secretary, and the assistance that the Secretary  
22                   plans to make available to a prospective purchaser  
23                   in accordance with this section. The initial sales  
24                   price shall reflect the intended use of the property  
25                   after sale.

1           “(2) COMMUNITY AND TENANT INPUT INTO  
2       DISPOSITION PLANS AND SALES.—

3           “(A) IN GENERAL.—In carrying out this  
4       section, the Secretary shall develop procedures  
5       to obtain appropriate and timely input into dis-  
6       position plans from officials of the unit of gen-  
7       eral local government affected, the community  
8       in which the project is situated, and the tenants  
9       of the project.

10          “(B) TENANT ORGANIZATIONS.—The Sec-  
11       retary shall develop procedures to facilitate,  
12       where feasible and appropriate, the sale of mul-  
13       tifamily housing projects to existing tenant or-  
14       ganizations with demonstrated capacity or to  
15       public or nonprofit entities which represent or  
16       are affiliated with existing tenant organizations.

17          “(C) TECHNICAL ASSISTANCE.—

18               “(i) USE OF FUNDS.—To carry out  
19       the procedures developed under subpara-  
20       graphs (A) and (B), the Secretary is au-  
21       thorized to provide technical assistance, di-  
22       rectly or indirectly, and to use amounts ap-  
23       propriated for technical assistance under  
24       the Emergency Low Income Housing Pres-  
25       ervation Act of 1987, the Low-Income

1           Housing Preservation and Resident Home-  
2           ownership Act of 1990, subtitle B of title  
3           IV of the Cranston-Gonzalez National Af-  
4           fordable Housing Act, or under this section  
5           for the provision of technical assistance  
6           under this section.

7           “(ii) SOURCE OF FUNDS.—Recipients  
8           of technical assistance funding under the  
9           Emergency Low Income Housing Preserva-  
10          tion Act of 1987, the Low-Income Housing  
11          Preservation and Resident Homeownership  
12          Act of 1990, subtitle B of title IV of the  
13          Cranston-Gonzalez National Affordable  
14          Housing Act, or under this section shall be  
15          permitted to provide technical assistance to  
16          the extent of such funding under any of  
17          such programs or under this section, not-  
18          withstanding the source of funding.

19       “(j) RIGHT OF FIRST REFUSAL.—

20           “(1) PROCEDURE.—

21           “(A) NOTIFICATION BY SECRETARY OF  
22           THE ACQUISITION OF TITLE.—Not later than  
23           30 days after acquiring title to a project, the  
24           Secretary shall notify the unit of general local  
25           government and the State agency or agencies

1 designated by the Governor of the acquisition of  
2 such title.

3 “(B) EXPRESSION OF INTEREST.—Not  
4 later than 45 days after receiving notification  
5 from the Secretary under subparagraph (A),  
6 the unit of general local government or des-  
7 ignated State agency may submit to the Sec-  
8 retary a preliminary expression of interest in  
9 the project. The Secretary may take such ac-  
10 tions as may be necessary to require the unit of  
11 general local government or designated State  
12 agency to substantiate such interest.

13 “(C) TIMELY EXPRESSION OF INTER-  
14 EST.—If the unit of general local government or  
15 designated State agency has expressed interest  
16 in the project before the expiration of the 45-  
17 day period referred to in subparagraph (B), and  
18 has substantiated such interest if requested, the  
19 Secretary, upon approval of a disposition plan  
20 for a project, shall notify the unit of general  
21 local government and designated State agency  
22 of the terms and conditions of the disposition  
23 plan and give the unit of general local govern-  
24 ment or designated State agency not more than

1           90 days after the date of such notification to  
2           make an offer to purchase the project.

3           “(D) NO TIMELY EXPRESSION OF INTER-  
4           EST.—If the unit of general local government or  
5           designated State agency does not express inter-  
6           est before the expiration of the 45-day period  
7           referred to in subparagraph (B), or does not  
8           substantiate an expressed interest if requested,  
9           the Secretary, upon approval of a disposition  
10          plan, may offer the project for sale to any inter-  
11          ested person or entity.

12          “(2) ACCEPTANCE OF OFFERS.—Where the  
13          Secretary has given the unit of general local govern-  
14          ment or designated State agency 90 days to make  
15          an offer to purchase the project, the Secretary shall  
16          accept an offer that complies with the terms and  
17          conditions of the disposition plan. The Secretary  
18          may accept an offer that does not comply with the  
19          terms and conditions of the disposition plan if the  
20          Secretary determines that the offer will further the  
21          goals specified in subsection (a) by actions that in-  
22          clude extension of the duration of low-income afford-  
23          ability restrictions or otherwise restructuring the  
24          transaction in a manner that enhances the long-term  
25          affordability for low-income persons. The Secretary

1 shall, in particular, have discretion to reduce the ini-  
2 tial sales price in exchange for the extension of low-  
3 income affordability restrictions beyond the period of  
4 assistance contemplated by the attachment of assist-  
5 ance pursuant to subsection (e). If the Secretary and  
6 the unit of general local government or designated  
7 State agency cannot reach agreement within 90  
8 days, the Secretary may offer the project for sale to  
9 the general public.

10 “(3) PURCHASE BY UNIT OF GENERAL LOCAL  
11 GOVERNMENT OR DESIGNATED STATE AGENCY.—  
12 Notwithstanding any other provision of law, a unit  
13 of general local government (including a public hous-  
14 ing agency) or designated State agency may pur-  
15 chase a subsidized or formerly subsidized project in  
16 accordance with this subsection.

17 “(4) APPLICABILITY.—This subsection shall  
18 apply to projects that are acquired on or after the  
19 effective date of this subsection. With respect to  
20 projects acquired before such effective date, the Sec-  
21 retary may apply—

22 “(A) the requirements of paragraphs (2)  
23 and (3) of section 203(e) as such paragraphs  
24 existed immediately before the effective date of  
25 this subsection; or



1           “(B) the requirements of paragraphs (1)  
2           and (2) of this subsection, if the Secretary gives  
3           the unit of general local government or des-  
4           ignated State agency—

5                   “(i) 45 days to express interest in the  
6                   project; and

7                   “(ii) if the unit of general local gov-  
8                   ernment or designated State agency ex-  
9                   presses interest in the project before the  
10                  expiration of the 45-day period, and sub-  
11                  stantiates such interest if requested, 90  
12                  days from the date of notification of the  
13                  terms and conditions of the disposition  
14                  plan to make an offer to purchase the  
15                  project.

16           “(k) DISPLACEMENT OF TENANTS AND RELOCATION  
17           ASSISTANCE.—

18                   “(1) IN GENERAL.—Whenever tenants will be  
19                  displaced as a result of the disposition of, or repairs  
20                  to, a multifamily housing project that is owned by  
21                  the Secretary (or for which the Secretary is mortga-  
22                  gee in possession), the Secretary shall identify ten-  
23                  ants who will be displaced, and shall notify all such  
24                  tenants of their pending displacement and of any re-  
25                  location assistance which may be available. In the

1 case of a multifamily housing project that is not  
2 owned by the Secretary (and for which the Secretary  
3 is not mortgagee in possession), the Secretary shall  
4 require the owner of the project to carry out the re-  
5 quirements of this paragraph.

6 “(2) RIGHTS OF DISPLACED TENANTS.—The  
7 Secretary shall assure for any such tenant (who con-  
8 tinues to meet applicable qualification standards)  
9 the right—

10 “(A) to return, whenever possible, to a re-  
11 paired unit;

12 “(B) to occupy a unit in another multifam-  
13 ily housing project owned by the Secretary;

14 “(C) to obtain housing assistance under  
15 the United States Housing Act of 1937; or

16 “(D) to receive any other available reloca-  
17 tion assistance as the Secretary determines to  
18 be appropriate.

19 “(I) MORTGAGE AND PROJECT SALES.—

20 “(1) IN GENERAL.—The Secretary may not ap-  
21 prove the sale of any loan or mortgage held by the  
22 Secretary (including any loan or mortgage owned by  
23 the Government National Mortgage Association) on  
24 any subsidized project or formerly subsidized  
25 project, unless such sale is made as part of a trans-

1 action that will ensure that such project will con-  
2 tinue to operate at least until the maturity date of  
3 such loan or mortgage, in a manner that will provide  
4 rental housing on terms at least as advantageous to  
5 existing and future tenants as the terms required by  
6 the program under which the loan or mortgage was  
7 made or insured prior to the assignment of the loan  
8 or mortgage on such project to the Secretary.

9 “(2) SALE OF CERTAIN PROJECTS.—The Sec-  
10 retary may not approve the sale of any subsidized  
11 project—

12 “(A) that is subject to a mortgage held by  
13 the Secretary; or

14 “(B) if the sale transaction involves the  
15 provision of any additional subsidy funds by the  
16 Secretary or a recasting of the mortgage, unless  
17 such sale is made as part of a transaction that  
18 will ensure that such project will continue to  
19 operate at least until the maturity date of the  
20 loan or mortgage, in a manner that will provide  
21 rental housing on terms at least as advan-  
22 tageous to existing and future tenants as the  
23 terms required by the program under which the  
24 loan or mortgage was made or insured prior to  
25 the proposed sale of the project.

1           “(3) MORTGAGE SALES TO STATE AND LOCAL  
2           GOVERNMENTS.—Notwithstanding any provision of  
3           law that may require competitive sales or bidding,  
4           the Secretary may carry out negotiated sales of sub-  
5           sidized or formerly subsidized mortgages held by the  
6           Secretary, without the competitive selection of pur-  
7           chasers or intermediaries, to units of general local  
8           government or State agencies, or groups of investors  
9           that include at least one such unit of general local  
10          government or State agency, if the negotiations are  
11          conducted with such agencies, except that—

12                 “(A) the terms of any such sale shall in-  
13                 clude the agreement of the purchasing agency  
14                 or unit of local government or State agency to  
15                 act as mortgagee or owner of a beneficial inter-  
16                 est in such mortgages, in a manner consistent  
17                 with maintaining the projects that are subject  
18                 to such mortgages for occupancy by the general  
19                 tenant group intended to be served by the appli-  
20                 cable mortgage insurance program, including,  
21                 to the extent the Secretary determines appro-  
22                 priate, authorizing such unit of local govern-  
23                 ment or State agency to enforce the provisions  
24                 of any regulatory agreement or other program

1 requirements applicable to the related projects;  
2 and

3 “(B) the sales prices for such mortgages  
4 shall be, in the determination of the Secretary,  
5 the best prices that may be obtained for such  
6 mortgages from a unit of general local govern-  
7 ment or State agency, consistent with the ex-  
8 pectation and intention that the projects fi-  
9 nanced will be retained for use under the appli-  
10 cable mortgage insurance program for the life  
11 of the initial mortgage insurance contract.

12 “(4) SALE OF MORTGAGES COVERING  
13 UNSUBSIDIZED PROJECTS.—Notwithstanding any  
14 other provision of law, the Secretary may sell mort-  
15 gages held on unsubsidized projects on such terms  
16 and conditions as the Secretary may prescribe.

17 “(m) REPORT TO CONGRESS.—Not later than June  
18 1 of each year, the Secretary shall submit to the Commit-  
19 tee on Banking, Housing, and Urban Affairs of the Senate  
20 and the Committee on Banking, Finance and Urban Af-  
21 fairs of the House of Representatives, a report describing  
22 the status of multifamily housing projects owned by or  
23 subject to mortgages held by the Secretary, which report  
24 shall include—

1           “(1) the name, address, and size of each  
2 project;

3           “(2) the nature and date of assignment;

4           “(3) the status of the mortgage;

5           “(4) the physical condition of the project;

6           “(5) an occupancy profile of the project, includ-  
7 ing the income, family size, and race of current resi-  
8 dents as well as the rents paid by such residents;

9           “(6) the proportion of units in a project that  
10 are vacant;

11           “(7) the date on which the Secretary became  
12 mortgagee in possession;

13           “(8) the date and conditions of any foreclosure  
14 sale;

15           “(9) the date of acquisition by the Secretary;

16           “(10) the date and conditions of any property  
17 disposition sale;

18           “(11) a description of actions undertaken pur-  
19 suant to this section, including—

20               “(A) a comparison of results between ac-  
21 tions taken after enactment of the Housing and  
22 Community Development Act of 1993 and ac-  
23 tions taken in years prior to such enactment;

24               “(B) a description of any impediments to  
25 the disposition or management of multifamily

1 housing projects, together with a recommenda-  
2 tion of proposed legislative or regulatory  
3 changes designed to ameliorate such impedi-  
4 ments;

5 “(C) a description of actions taken to re-  
6 structure or commence foreclosure on delin-  
7 quent multifamily mortgages held by the De-  
8 partment; and

9 “(D) a description of actions taken to  
10 monitor and prevent the default of multifamily  
11 housing mortgages held by the Federal Housing  
12 Administration;

13 “(12) a description of any of the functions per-  
14 formed in connection with this section that are con-  
15 tracted out to public or private entities or to States,  
16 including—

17 “(A) the costs associated with such delega-  
18 tion;

19 “(B) the implications of contracting out or  
20 delegating such functions for current Depart-  
21 ment field or regional personnel, including an-  
22 ticipated personnel or work load reductions;

23 “(C) necessary oversight required by De-  
24 partment personnel, including anticipated per-  
25 sonnel hours devoted to such oversight;

1           “(D) a description of any authority grant-  
2           ed to such public or private entities or States  
3           in conjunction with the functions that have  
4           been delegated or contracted out or that are not  
5           otherwise available for use by Department per-  
6           sonnel; and

7           “(E) the extent to which such public or  
8           private entities or States include tenants of  
9           multifamily housing projects in the disposition  
10          planning for such projects;

11          “(13) a description of the activities carried out  
12          under subsection (j) during the preceding year; and

13          “(14) a description and assessment of the rules,  
14          guidelines, and practices governing the Department’s  
15          management of multifamily housing projects that  
16          are owned by the Secretary (or for which the Sec-  
17          retary is mortgagee in possession) as well as the  
18          steps that the Secretary has taken or plans to take  
19          to improve the management performance of the De-  
20          partment.”.

21          (c) EFFECTIVE DATE.—The Secretary shall, by no-  
22          tice published in the Federal Register, which shall take  
23          effect upon publication, establish such requirements as  
24          may be necessary to implement the amendments made by  
25          this section. The notice shall invite public comments, and



1 the Secretary shall issue final regulations based on the ini-  
2 tial notice, taking into account any public comments re-  
3 ceived.

4 **TITLE III—IMPROVING GOVERN-**  
5 **MENT PERFORMANCE AND**  
6 **ACCOUNTABILITY**

7 **SEC. 3001. CONGRESSIONAL ESTABLISHMENT OF PROGRAM**  
8 **GOALS.**

9 (a) IN GENERAL.—Effective on and after January 3,  
10 1997, it shall not be in order for either the Senate or the  
11 House of Representatives to consider any bill or resolution  
12 which provides for the authorization of appropriations or  
13 for the appropriation of funds to an agency, unless such  
14 bill or resolution specifies for each program activity, one  
15 or more performance goals for each year covered by such  
16 authorization or appropriation.

17 (b) DEFINITIONS.—For purposes of this section, the  
18 term—

19 (1) “agency” has the same meaning as such  
20 term is defined under section 306(f) of title 5,  
21 United States Code; and

22 (2) “program activity” means a specific activity  
23 or project as listed in the program and financing  
24 schedules of the annual budget of the United States  
25 Government.

1       (c) APPROPRIATION ACTS.—An appropriation Act  
2 may specify a lesser amount of a performance goal to be  
3 achieved than is provided for by the authorizing legisla-  
4 tion, but may not change the specific type of goal.

5       (d) WAIVER.—This section may be waived or sus-  
6 pended in the Senate only by the affirmative vote of three-  
7 fifths of the Members, duly chosen and sworn, and in the  
8 House of Representatives only by the affirmative vote of  
9 a majority of the Members voting.

10       (e) RULEMAKING POWER OF CONGRESS.—The provi-  
11 sions of this section are enacted by the Congress—

12           (1) as an exercise of the rulemaking power of  
13 the Senate and the House of Representatives and as  
14 such shall be considered as part of the rules of each  
15 House, and shall supersede other rules only to the  
16 extent that they are inconsistent therewith; and

17           (2) with full recognition of the constitutional  
18 right of either House to change the rules (so far as  
19 they relate to the procedures of that House) at any  
20 time, in the same manner, and to the same extent  
21 as in the case of any other rule of that House.

1 **SEC. 3002. PERIODIC STEP INCREASES FOR EMPLOYEES**  
2 **ONLY FOR PERIODS OF ACCEPTABLE LEVEL**  
3 **OF COMPETENCE.**

4 Section 5335(a) of title 5, United States Code, is  
5 amended in the matter following paragraph (3)—

6 (1) in subparagraph (A) by striking out “and”  
7 after the semicolon;

8 (2) in subparagraph (B) by striking out the pe-  
9 riod and inserting in lieu thereof a semicolon and  
10 “and”; and

11 (3) by adding at the end thereof the following  
12 new subparagraph:

13 “(C) each period of calendar weeks de-  
14 scribed under paragraphs (1), (2), and (3) shall  
15 be increased by the total number of calendar  
16 weeks within such period that the work of the  
17 employee is not of an acceptable level of com-  
18 petence as determined by the head of the  
19 agency.”.

20 **SEC. 3003. USE OF INDIVIDUAL PERFORMANCE RATINGS IN**  
21 **ORDER OF RETENTION DURING A REDUC-**  
22 **TION IN FORCE.**

23 Section 3502 of title 5, United States Code, is  
24 amended—

1 (1) in the first sentence of subsection (a) by in-  
2 serting “, in accordance with subsection (f),” after  
3 “give due effect”; and

4 (2) by adding after subsection (e) the following  
5 new subsection:

6 “(f) In prescribing regulations under the provisions  
7 of subsection (a), the efficiency or performance ratings of  
8 employees described under paragraph (4) of such sub-  
9 section shall be a more significant factor in the retention  
10 of employees than the following considered as a single fac-  
11 tor:

12 “(1) Tenure of employment described under  
13 paragraph (1) of such subsection.

14 “(2) Length of service described under para-  
15 graph (3) of such subsection.”.

16 **SEC. 3004. COMPREHENSIVE FEDERAL ACCOUNTING**  
17 **STANDARDS.**

18 The Federal Accounting Standards Advisory Board  
19 shall submit a recommendation for comprehensive and  
20 uniform Federal accounting and financial standards to the  
21 Congress and the President not later than December 31,  
22 1994.

23 **SEC. 3005. ANNUAL FINANCIAL REPORTS.**

24 (a) Section 3515 of title 31, United States Code, is  
25 amended to read as follows:

1 **“§ 3515. Financial statements of agencies**

2 “(a) Not later than March 1 of 1997 and each year  
3 thereafter, the head of each executive agency identified in  
4 section 901(b) of this title shall prepare and submit to  
5 the Director of the Office of Management and Budget an  
6 audited financial statement for the preceding fiscal year,  
7 covering all accounts and associated activities of each of-  
8 fice, bureau, and activity of the agency.

9 “(b) Each audited financial statement of an executive  
10 agency under this section shall reflect—

11 “(1) the overall financial position of the offices,  
12 bureaus, and activities covered by the statement, in-  
13 cluding assets and liabilities thereof; and

14 “(2) results of operations of those offices, bu-  
15 reaus, and activities.

16 “(c) The Director of the Office of Management and  
17 Budget shall prescribe the form and content of the finan-  
18 cial statements of executive agencies under this section,  
19 consistent with applicable accounting principles, stand-  
20 ards, and requirements.

21 “(d) The Director of the Office of Management and  
22 Budget may waive the application of all or part of sub-  
23 section (a).

24 “(e) Not later than March 1 of 1996, the head of  
25 each Executive agency identified in section 901(b) of this  
26 title and designated by the Director of the Office of Man-

1 agement and Budget shall prepare and submit to the Di-  
2 rector of the Office of Management and Budget an audited  
3 financial statement for the preceding fiscal year, covering  
4 all accounts and associated activities of each office, bu-  
5 reau, and activity of the agency.

6 “(f) Not later than March 31 of 1994, 1995, and,  
7 for Executive agencies not designated by the Director of  
8 the Office of Management and Budget under subsection  
9 (e), 1996, the head of each Executive agency identified  
10 in section 901(b) of this title shall prepare and submit  
11 to the Director of the Office of Management and Budget  
12 a financial statement for the preceding fiscal year, cover-  
13 ing—

14 “(1) each revolving fund and trust fund of the  
15 agency; and

16 “(2) to the extent practicable, the accounts of  
17 each office, bureau, and activity of the agency which  
18 performed substantial commercial functions during  
19 the preceding fiscal year.

20 “(g) for purposes of subsection (f), the term ‘commer-  
21 cial functions’ includes buying and leasing of real estate,  
22 providing insurance, making loans and loan guarantees,  
23 and other credit programs and any activity involving the  
24 provision of a service or thing for which a fee, royalty,

1 rent, or other charge is imposed by an agency for services  
2 and things of value it provides.”.

3 (b) Subsection 3521(f) of title 31, United States  
4 Code, is amended to read as follows:

5 “(f)(1) For each audited financial statement required  
6 under subsections (a) and (e) of section 3515 of this title,  
7 the person who audits the statement for purpose of sub-  
8 section (e) of this section shall submit a report on the  
9 audit to the head of the agency. A report under this sub-  
10 section shall be prepared in accordance with generally ac-  
11 cepted government auditing standards.

12 “(2) Not later than June 30 following the fiscal year  
13 for which a financial statement is submitted under sub-  
14 section (f) of section 3515 of this title, the person who  
15 audits the statement for purpose of subsection (e) of this  
16 section shall submit a report on the audit to the head of  
17 the agency. A report under this subsection shall be pre-  
18 pared in accordance with generally accepted government  
19 auditing standards.”.

20 **SEC. 3006. DETERRENCE OF FRAUD AND ABUSE IN FECA**  
21 **PROGRAM.**

22 (a) Section 8102 of title 5, United States Code, is  
23 amended to redesignate subsection (b) as subsection (c),  
24 and to add the following new subsection (b):

1       “(b) An individual convicted of a violation of 18  
2 U.S.C. 1920, as amended, or of any other fraud related  
3 to the application for or receipt of benefits under sub-  
4 chapter I or III of chapter 81 of title 5, shall forfeit, as  
5 of the date of the conviction, all entitlement to any pro-  
6 spective benefits provided by subchapter I or III for any  
7 injury occurring on or before the date of the conviction.  
8 Such a forfeiture of benefits shall be in addition to any  
9 action the Secretary may take under section 8106 or 8129  
10 of title 5, United States Code.”.

11       (b) Section 8116 of title 5, United States Code, is  
12 amended by adding the following new subsection (e):

13       “(e) Notwithstanding any other provision of this title,  
14 no benefits under sections 8105 or 8106 of this subchapter  
15 shall be paid or provided to any individual during any pe-  
16 riod during which such individual is confined in a jail,  
17 prison, or other penal institution or correctional facility,  
18 pursuant to that individual’s conviction of an offense that  
19 constituted a felony under applicable law, except where  
20 such individual has one or more dependents within the  
21 meaning of section 8110 of this subchapter, in which case  
22 the Secretary may, during the period of incarceration, pay  
23 to such dependents a percentage of the benefits that would  
24 have been payable to such individual computed according



1 to the percentages set forth in section 8133(a) (1)–(5) of  
2 this subchapter.”.

3 (c) Section 8116 of title 5, United States Code, is  
4 further amended by adding the following new subsection  
5 (f):

6 “(f) Notwithstanding the provisions of section 552a  
7 of this title, or any other provision of Federal or State  
8 law, any agency of the United States Government or of  
9 any State (or political subdivision thereof) shall make  
10 available to the Secretary, upon written request, the  
11 names and Social Security account numbers of individuals  
12 who are confined in a jail, prison or other penal institution  
13 or correctional facility under the jurisdiction of such agen-  
14 cy, pursuant to such individuals’ conviction of an offense  
15 that constituted a felony under applicable law, which the  
16 Secretary may require to carry out the provisions of this  
17 subsection.”.

18 (d) Section 1920 of title 18, United States Code, is  
19 amended to read as follows: “Whoever knowingly and will-  
20 fully falsifies, conceals, or covers up a material fact, or  
21 makes a false, fictitious, or fraudulent statement or rep-  
22 resentation, or makes or uses a false statement or report  
23 knowing the same to contain any false, fictitious or fraud-  
24 ulent statement or entry in connection with the application  
25 for or receipt of compensation or other benefit or payment

1 under subchapter I or III of chapter 81 of title 5, United  
2 States Code, shall be punished by a fine of not more than  
3 \$250,000, or by imprisonment for not more than five  
4 years, or both.”.

5 (e) Except as otherwise provided in this section, the  
6 amendments made by this section shall be effective on the  
7 date of enactment and shall apply to actions taken on or  
8 after the date of enactment both with respect to claims  
9 filed before the day of enactment and with respect to  
10 claims filed after such date.

11 (f) The amendments made by subsections (a), (b),  
12 and (c) of this section shall be effective on the date of  
13 enactment and shall apply to any person convicted or im-  
14 prisoned on or after the date of enactment.

15 (g) The amendment made by subsection (d) of this  
16 section shall be effective on the date of enactment and  
17 shall apply to any claim, statement, representation, report,  
18 or other written document made or submitted in connec-  
19 tion with a claim filed under subchapter I or III of chapter  
20 81 of title 5, United States Code.

21 **SEC. 3007. ELIMINATION OF CERTAIN RESTRICTIONS TO**  
22 **REDUCE FEDERAL PERSONNEL.**

23 Notwithstanding any provision of law that limits the  
24 authority of the head of a department or agency to reduce  
25 the number of employees or positions in such department

1 or agency to a number specified in statute or specifically  
 2 determined by a provision of a statute, the head of a de-  
 3 partment or agency may reduce the employees or positions  
 4 within such department or agency consistent with the pro-  
 5 visions of title 5, United States Code.

6 **TITLE IV—IMPROVING THE**  
 7 **LEGISLATIVE PROCESS**

8 **SEC. 4001. LINE-ITEM VETO.**

9 The Congressional Budget and Impoundment Control  
 10 Act of 1974 is amended by adding at the end thereof the  
 11 following new title:

12 “TITLE XI—TAX EXPENDITURE AND LEGISLA-  
 13 TIVE APPROPRIATIONS LINE ITEM VETO

14 “LEGISLATIVE APPROPRIATIONS AND TAX EXPENDITURE  
 15 LINE ITEM VETO SEPARATE ENROLLMENT AUTHORITY

16 “SEC. 1101. (a) SEPARATE ENROLLMENT.—

17 “(1) Notwithstanding any other provision of  
 18 law, when—

19 “(A) any general or special appropriation  
 20 bill or any bill or joint resolution making sup-  
 21 plemental, deficiency, or continuing appropria-  
 22 tions; or

23 “(B) any revenue bill containing a tax ex-  
 24 penditure provision,

1 passes both Houses of the Congress in the same  
2 form, the Secretary of the Senate (in the case of a  
3 bill or joint resolution originating in the Senate) or  
4 the Clerk of the House of Representatives (in the  
5 case of a bill or joint resolution originating in the  
6 House of Representatives) shall cause the enrolling  
7 clerk of such House to enroll each item of appropria-  
8 tion or tax expenditure provision of such bill or joint  
9 resolution as a separate bill or joint resolution, as  
10 the case may be.

11 “(2) A bill or joint resolution that is required  
12 to be enrolled pursuant to paragraph (1)—

13 “(A) shall be enrolled without substantive  
14 revision;

15 “(B) shall conform in style and form to  
16 the applicable provisions of chapter 2 of title 1,  
17 United States Code (as such provisions are in  
18 effect on the date of the enactment of this  
19 title); and

20 “(C) shall bear the designation of the  
21 measure of which it was an item of appropria-  
22 tion or tax expenditure provision prior to such  
23 enrollment, together with such other designa-  
24 tion as may be necessary to distinguish such  
25 bill or joint resolution from other bills or joint

1 resolutions enrolled pursuant to paragraph (1)  
2 with respect to the same measure.

3 “(b) PREPARATION AND PRESENTMENT.—A bill or  
4 joint resolution enrolled pursuant to subsection (a)(1) with  
5 respect to an item of appropriation or tax expenditure pro-  
6 vision shall be deemed to be a bill under clauses 2 and  
7 3 of section 7 of article 1 of the Constitution of the United  
8 States and shall be signed by the presiding officers of both  
9 Houses of the Congress and presented to the President  
10 for approval or disapproval (and otherwise treated for all  
11 purposes) in the manner provided for bills and joint reso-  
12 lutions generally.

13 “(c) DEFINITIONS.—For purposes of this title—

14 “(1) the term ‘item of appropriation’ means any  
15 numbered section and any unnumbered paragraph  
16 of—

17 “(A) any general or special appropriation  
18 bill; and

19 “(B) any bill or joint resolution making  
20 supplemental, deficiency, or continuing appro-  
21 priations; and

22 “(2) the term ‘tax expenditure provision’ means  
23 a division of a bill that amends current law or is free  
24 standing and that is scored by the Joint Committee

1 on Taxation as losing revenue over the 5-year period  
2 after the provision takes effect.”.

3 **SEC. 4002. SUNSET OF NEW PROGRAM AUTHORIZATIONS.**

4 (a) IN GENERAL.—Rule XVI of the Standing Rules  
5 of the Senate is amended by adding at the end thereof  
6 the following new paragraph:

7 “9. On a point of order made by any Senator, no ap-  
8 propriations bill or amendment thereto shall be received  
9 or considered if it contains a provision making an appro-  
10 priation that has not been previously authorized by law  
11 within the 5 years preceding the date of receipt or consid-  
12 eration.”.

13 (b) EFFECTIVE DATE.—The amendment made by  
14 subsection (a) shall take effect on the first day of the sec-  
15 ond regular session of the 104th Congress.

16 **SEC. 4003. SCORING OF EMERGENCIES.**

17 Section 606(d)(2) of the Congressional Budget Act  
18 of 1974 is amended by striking “251(b)(2)(C),  
19 251(b)(2)(D), and 252(e)” and inserting “and  
20 251(b)(2)(C)”.

21 **TITLE V—ENFORCEMENT**

22 **SEC. 5001. DEDICATION OF SAVINGS TO DEFICIT REDUC-**  
23 **TION.**

24 (a) DIRECT SPENDING.—None of the changes in di-  
25 rect spending and receipts resulting from this Act shall

1 be reflected in estimates under section 252(d) of the Bal-  
2 anced Budget and Emergency Deficit Control Act of 1985.

3 (b) DISCRETIONARY SPENDING.—Upon the enact-  
4 ment of this Act, the Director of the Office of Manage-  
5 ment and Budget shall make downward adjustments in  
6 the discretionary spending limits (new budget authority  
7 and outlays), as adjusted, set forth in 601(a)(2) of the  
8 Congressional Budget Act of 1974 for each of fiscal years  
9 1994 through 1999 as follows:

10 (1) For fiscal year 1994, reduce new budget au-  
11 thority by \$7,337,000,000 and reduce outlays by  
12 \$3,183,000,000.

13 (2) For fiscal year 1995, reduce new budget au-  
14 thority by \$9,801,000,000 and reduce outlays by  
15 \$8,707,000,000.

16 (3) For fiscal year 1996, reduce new budget au-  
17 thority by \$12,479,000,000 and reduce outlays by  
18 \$11,204,000,000.

19 (4) For fiscal year 1997, reduce new budget au-  
20 thority by \$13,090,000,000 and reduce outlays by  
21 \$12,738,000,000.

22 (5) For fiscal year 1998, reduce new budget au-  
23 thority by \$13,698,000,000 and reduce outlays by  
24 \$13,121,000,000.

25 (c) SECTION 602 ALLOCATIONS.—

1           (1) HOUSE APPROPRIATIONS COMMITTEE.—The  
2       allocations in effect under section 602(a)(1) of the  
3       Congressional Budget Act of 1974 for fiscal year  
4       1994 for the Committee on Appropriations of the  
5       House of Representatives are reduced by  
6       \$3,183,000,000 in outlays and by \$7,337,000,000 in  
7       budget authority.

8           (2) SENATE APPROPRIATIONS COMMITTEE.—  
9       The allocations in effect under section 602(a)(2) of  
10      the Congressional Budget Act of 1974 for fiscal year  
11      1994 for the Committee on Appropriations of the  
12      Senate are reduced by \$3,183,000,000 in outlays  
13      and by \$7,337,000,000 in budget authority.

14          (3) SUBALLOCATIONS.—Each Committee on  
15      Appropriations is authorized and directed to imme-  
16      diately adjust its suballocations among its sub-  
17      committees for fiscal year 1994 to reflect the lower  
18      allocations provided by subsection (a) in a manner  
19      that accurately reflects the changes in law made by  
20      this Act and promptly report to its House of Con-  
21      gress suballocations revised under this subsection.

22          (4) EFFECT.—The allocations and  
23      suballocations as adjusted by this section shall be  
24      deemed to be allocations made under section



1       602(a)(1) and suballocations made under section  
2       602(b)(1) of the Congressional Budget Act of 1974.

3           (5) SECTION 601.—Section 601(a)(2) of the  
4       Congressional Budget Act of 1974 is amended by in-  
5       serting “or as adjusted pursuant to subsection (b) of  
6       the Government Downsizing Performance and Ac-  
7       countability Act of 1994” before the period at the  
8       end.

9       **SEC. 5002. ESTABLISHMENT OF A DEFENSE FIREWALL.**

10       (a) CATEGORY.—Section 250(c)(4)(B) of the Bal-  
11       anced Budget and Emergency Deficit Control Act of 1985  
12       is amended to read as follows:

13           “(B) For fiscal years 1994 through 1998,  
14           any of the following subsets of discretionary ap-  
15           propriations: defense or nondefense. New ac-  
16           counts or activities shall be categorized in con-  
17           sultation with the Committees on Appropria-  
18           tions and the Budget of the House of Rep-  
19           resentatives and the Senate.”.

20       (b) DISCRETIONARY SPENDING.—Section 601(a)(2)  
21       of the Congressional Budget Act of 1974 is amended by  
22       striking subparagraphs (D), (E), and (F) and inserting  
23       the following:

24           “(D) with respect to fiscal year 1994—

1           “(i) for the defense category:  
2           \$262,366,000,000 in new budget authority  
3           and \$277,843,000,000 in outlays; and

4           “(ii) for the nondefense category:  
5           \$250,811,000,000 in new budget authority  
6           and \$264,763,000,000 in outlays;

7           “(E) with respect to fiscal year 1995—

8           “(i) for the defense category:  
9           \$264,926,000,000 in new budget authority  
10          and \$274,953,000,000 in outlays; and

11          “(ii) for the nondefense category:  
12          \$252,472,000,000 in new budget authority  
13          and \$265,545,000,000 in outlays;

14          “(F) with respect to fiscal year 1996—

15          “(i) for the defense category:  
16          \$256,440,000,000 in new budget authority  
17          and \$268,043,000,000 in outlays; and

18          “(ii) for the nondefense category:  
19          \$262,702,000,000 in new budget authority  
20          and \$279,690,000,000 in outlays;

21          “(G) with respect to fiscal year 1997—

22          “(i) for the defense category:  
23          \$250,692,000,000 in new budget authority  
24          and \$251,910,000,000 in outlays; and

1                   “(ii) for the nondefense category:  
2                   \$277,387,000,000 in new budget authority  
3                   and \$295,592,000,000 in outlays; and  
4                   “(H) with respect to fiscal year 1998—  
5                   “(i) for the defense category:  
6                   \$256,481,000,000 in new budget authority  
7                   and \$255,393,000,000 in outlays; and  
8                   “(ii) for the nondefense category:  
9                   \$274,158,000,000 in new budget authority  
10                  and \$292,482,000,000 in outlays.”.

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