REPORT ENTITLED ''THE POLICY ON PROTECTION OF NATIONAL INFORMATION INFRASTRUCTURE AGAINST STRATEGIC ATTACK''—MESSAGE FROM THE PRESIDENT—PM 56

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Armed Services.

To the Congress of the United States:

Pursuant to section 1061 of the National Defense Authorization Act for Fiscal Year 1997, attached is a report, with attachments, covering Policy on Protection of National Information Infrastructure Against Strategic Attack.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 28, 1997.*

MESSAGES FROM THE HOUSE

At 3:05 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2203. An act making appropriations for energy and water development for the fiscal year ending September 30, 1998, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–2303. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report under the Inspector General's Act for the period October 1, 1996 through March 31, 1997; to the Committee on Governmental Affairs.

EC–2304. A communication from the Federal Co-Chairman, Appalachian Regional Commission, transmitting, pursuant to law, a report under the Inspector General's Act for the period October 1, 1996 through March 31, 1997; to the Committee on Governmental Affairs.

EC–2305. A communication from the Chairman and General Counsel, U.S. Government National Labor Relations Board, transmitting, pursuant to law, a report for the period October 1, 1996 through March 31, 1997; to the Committee on Governmental Affairs.

EC–2306. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report relative to the period ending March 31, 1997; to the Committee on Governmental Affairs.

EC–2307. A communication from the Secretary of Energy, transmitting, pursuant to law, sixteen reports to the period of October 1, 1996 through March 31, 1997; to the Committee on Governmental Affairs.

EC–2308. A communication from the Public Printer, U.S. Government Printing Office, transmitting, pursuant to law, a report relative to the period October 1, 1996 through March 31, 1997; to the Committee on Governmental Affairs.

EC–2309. A communication from the Director of the Office of Regulatory Management and Information, U.S. Environmental Protection Agency, transmitting, pursuant to law, three rules including a rule entitled ''Correction of Implementation Plans'' (FRL5847–8, 5848–4, 5844–3) received on June 23, 1997; to the Committee on Environment and Public Works.

EC–2310. A communication from the Regulatory Policy Official, National Archives and Records Administration, transmitting, pursuant to law, a report of a rule relative to Reproduction Fee Schedule (RIN3095–AA71), received on June 17, 1997; to the Committee on Governmental Affairs.

EC–2311. A communication from the Regulatory Policy Official, National Archives and Records Administration, transmitting, pursuant to law, a report of a rule entitled ''Domestic Distribution of United States Information Agency Materials in the Custody of the National Archives'' (RIN3095–AA55), received on June 17, 1997; to the Committee on Governmental Affairs.

EC–2312. A communication from the Chairman, National Endowment for the Arts, transmitting, pursuant to law, a report relative to the period of October 1, 1996 to March 31, 1997; to the Committee on Governmental Affairs.

EC–2313. A communication from the Inspector General, U.S. Office of Personnel Management, transmitting, pursuant to law, a report relative to the period October 1, 1996 through March 31, 1997; to the Committee on Governmental Affairs.

EC–2314. A communication from the Secretary of Housing and Urban Development, transmitting, a draft of proposed legislation entitled ''Homelessness Assistance and Management Reform Act of 1997''; to the Committee on Banking, Housing, and Urban Affairs.

EC–2315. A communication from the Acting General Counsel, Department of Housing and Urban Development, transmitting, pursuant to law, five rules entitled ''HOME Investment Partnership Program'' (FR–3962), received on June 23, 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC–2316. A communication from the Director, U.S. Office of Personnel Management, transmitting, a draft of proposed legislation relative to judicial review to protect the merit system; to the Committee on Governmental Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SMITH of Oregon:

S. 1072. A bill to amend title 35, United States Code, to protect patent owners against the unauthorized sale of plant parts taken from plants illegally reproduced, and for other purposes; to the Committee on the Judiciary.

By Mr. TORRICELLI (for himself, Mr. MACK, Mr. HELMS, and Mr. GRAHAM):

S. 1073. A bill to withhold United States assistance for programs for projects of the International Atomic Energy Agency in Cuba, and for other purposes; to the Committee on Foreign Relations.

By Mr. DODD:

S. 1074. A bill to amend title IV of the Social Security Act to reform child support enforcement procedures; to the Committee on Finance.

S. 1075. A bill to provide for demonstration projects to establish or improve a system of assured minimum child support payments; to the Committee on Finance.

By Mr. MACK (for himself, Mr. GRAHAM, and Mr. KENNEDY) (by request):

S. 1076. A bill to provide relief to certain aliens who would otherwise be subject to removal from the United States; to the Committee on the Judiciary.

By Mr. MCCAIN (for himself and Mr. INOUYE):

S. 1077. A bill to amend the Indian Gaming Regulatory Act, and for other purposes; to the Committee on Indian Affairs.

By Mr. SPECTER (for himself, Mr. ROCKEFELLER, Mr. ABRAHAM, Mr. AKAKA, Mr. ALLARD, Mr. ASHCROFT, Mr. BINGAMAN, Mr. BOND, Mr. BREAUX, Mr. CAMPBELL, Mr. CLELAND, Mr. COATS, Mr. COCHRAN, Ms. COLLINS, Mr. CRAIG, Mr. D'AMATO, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. FAIRCLOTH, Mrs. FEINSTEIN, Mr. FORD, Mr. GLENN, Mr. GRAHAM, Mr. GRAMS, Mr. GRASSLEY, Mr. HAGEL, Mr. HATCH, Mr. HELMS, Mr. HOLLINGS, Mr. INHOFE, Mr. INOUYE, Mr. JEFFORDS, Mr. KEMPTHORNE, Ms. LANDRIEU, Mr. LIEBERMAN, Mr. MACK, Mr. MCCAIN, Ms. MOSELEY-BRAUN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. REID, Mr. ROTH, Mr. SANTORUM, Mr. SMITH of Oregon, Ms. SNOWE, Mr. STEVENS, and Mr. THURMOND):

S.J. Res. 36. A joint resolution to confer status as an honorary veteran of the United States Armed Forces on Leslie Townes (Bob) Hope; to the Committee on Veterans Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LAUTENBERG (for himself and Mr. SPECTER):

S. Con. Res. 44. A concurrent resolution expressing the sense of the Congress that a postage stamp should be issued to honor the 100th anniversary of the Jewish War Veterans of the United States of America; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TORRICELLI (for himself, Mr. MACK, Mr. HELMS, and Mr. GRAHAM):

S. 1073. A bill to withhold United States assistance for programs for projects of the International Atomic Energy Agency in Cuba, and for other purposes; to the Committee on Foreign Relations.

THE INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA) ACCOUNTABILITY AND SAFETY ACT OF 1997

Mr. TORRICELLI. Mr. President, I rise today to join with my colleagues, Senators MACK, HELMS, and GRAHAM, in introducing the International Atomic Energy Agency [IAEA] Accountability and Safety Act of 1997.

This legislation will withhold from the International Atomic Energy Agency [IAEA] a proportional share of United States assistance for programs or projects of that Agency in Cuba. It seeks to discourage the IAEA from technical assistance programs or projects that would contribute to the maintenance or completion of the Juragua Nuclear Power Plant near

Cienfuegos, Cuba and/or to nuclear research or experiments at the Pedro Pi Nuclear Research Center.

Our legislation makes clear to Cuba and to the international community that the United States considers the existence of nuclear facilities under the control of a government on the list of terrorist countries that has not ratified the fundamental agreements on the nonproliferation of nuclear weapons a threat to the national security of the United States. As such, the United States seeks to discourage all other governments and international agencies from assisting the efforts of the Cuban Government to maintain or complete the Juragua Plant or to advance nuclear research at the Pedro Pi facility.

United States funds would be made available to the IAEA to discontinue, dismantle, or conduct safety inspections of nuclear facilities and related materials in Cuba, or to inspect or undertake similar activities designed to prevent the development of nuclear weapons by Cuba.

The withholding of funds from the IAEA would be obviated if: Cuba ratifies the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (Tlatelolco); negotiates full-scope safeguards of the IAEA within two years of ratifying; and adopts internationally accepted nuclear safety standards.

The legislation also requests reports on the activities of the IAEA in Cuba.

By Mr. DODD:

S. 1074. A bill to amend title IV of the Social Security Act to reform child support enforcement procedures; to the Committee on Finance.

S. 1075. A bill to provide for demonstration projects to establish or improve a system of assured minimum child support payments; to the Committee on Finance.

CHILD SUPPORT LEGISLATION

Mr. DODD. Mr. President, today I'm introducing two pieces of legislation intended to address the ongoing and utter failure of our Nation's child support efforts.

Last week, the General Accounting Office released a long-awaited report on efforts to collect child support throughout the country. It paints a picture of a broken child support system:

One where four out of five parents legally required to pay child support simply ignore court orders to do so; one where nearly three in four custodial parents—and their children—who receive no child support live in poverty (as of 1991); and one where a staggering $34 billion in child support payments remain uncollected.

The current system of child support is not just a failure by the States to collect money. It's a nationwide failure to care for America's children.

Imagine what parents could do for their kids with these billions in unpaid child support obligations. Currently, Congress and the President are engaged in a heated debate over how to provide health insurance to the 10½ million kids who don't currently have it. We might not be having that debate if the child support system was working.

Imagine how much better parents could prepare their children to get the right start in life. With each passing day, we are learning about how incredibly important the first years, months, even days of life are to a child's future well-being. Most importantly, they need what money can't buy: Love, affection, and attention—preferably by two parents rather than one. But they also need wholesome food, a clean and safe neighborhood, child care that nurtures rather than warehouses, and early learning that stretches young minds. Yet, nearly two in three—64 percent—of children under the age of 6 who live only with their mothers live in poverty.

For two decades, the Federal Government has tried to help States crack down on deadbeat parents. For two decades they have, by and large, failed to get the job done. It's time now to try a different approach.

In 1975, we established the child support enforcement program, which paid the majority of the administrative and operating costs incurred by States in enforcing child support rules.

In 1980, we passed legislation to help States pay to computerize child support orders.

In 1988, we passed a law requiring States to establish computer registries, and committed $2.6 billion to the effort.

We set a deadline of 1995 for implementation and certification of those registries. But only a handful of States met that deadline.

So in 1995, we extended the deadline 2 years, to October 1, 1997. Yet, at this moment, only 15 States have met the requirements of certification. And GAO predicts many will not meet them by October 1—a result of mismanagement, interagency squabbles, and a failure to accurately assess the cost and complexity of computerizing child support enforcement.

Note that Connecticut at the moment is conditionally certified. That's a nice way of saying that it's close to meeting the requirements of certification, but not there yet. And while there has been some improvement in enforcement efforts, overall our State's performance is weak by any standard. Some $663 million in child support obligations remain unpaid and uncollected. The child support payment rate in our State—the percentage of payments that are on time and in full—is only 16 percent. That's below the national average.

My legislation will do several things.

First, and most importantly, it will federalize the child support system. It will make paying child support as much of an obligation as paying taxes. Instead of 50 or more entities struggling to create a coherent system of collection, we'll have one collector: the IRS. People may not like the IRS—but that's partly because it gets the job done. This bill creates a new child support enforcement division within the IRS, and allows the IRS to use its normal tax collection methods to collect child support. My legislation would also allow the use of Federal courts to enforce child support orders—which will immensely help track deadbeat parents across State lines. And it preserves the role of States in determining paternity and establishing child support orders in the first place.

Second, this legislation tries a new approach to help States do a better job in child support enforcement. It's an approach that a number of States have tried with considerable success. It's called child support assurance. The bill I introduce today would provide demonstration grants to three, four, or five States. Those States would in turn guarantee child support payments each month to children and custodial parents. When this approach was tried in New York, a number of positive developments occurred. First, children got the support they needed. Second, welfare payments dropped. Third, New York could devote more resources to enforcing child support orders because it had to worry less about caring for parents and kids who weren't receiving child support payments. Overall, New York saved $10 for every $1 it invested in this program.

Last week's GAO report demonstrates that it's time for our Nation to take a new approach in efforts to enforce child support obligations. This legislation can work. And now is the time to try it.

Mr. President, I ask unanimous consent that these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1074

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Child Support Reform Act of 1997''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.

TITLE I—NATIONAL CHILD SUPPORT GUIDELINES COMMISSION

Sec. 101. National Child Support Guidelines Commission.

TITLE II—CENTRALIZED CHILD SUPPORT ENFORCEMENT

Sec. 201. Establishment of the Office of the Assistant Commissioner for Centralized Child Support Enforcement.
Sec. 202. Use of Federal Case Registry of Child Support Orders and National Directory of New Hires.
Sec. 203. Division of Enforcement.
Sec. 204. State plan requirements.
Sec. 205. Definitions.

TITLE III—EFFECTIVE DATES

Sec. 301. Effective dates.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) an increasing number of children are raised in families with only one parent present, usually the mother, and these families are 5 times as likely to be poor as 2-parent families;

(2) the failure of noncustodial parents to pay their fair share of child support is a major contributor to poverty among single-parent families;

(3) in 1990, there was a $33,700,000,000 gap between the amount of child support that was received and the amount that could have been collected;

(4) in 1991, the aggregate child support income deficit was $5,800,000,000;

(5) as of spring 1992, only 54 percent, or 6,200,000, of custodial parents received awards of child support, and of the 6,200,000 custodial parents awarded child support, 5,300,000 were supposed to receive child support payments in 1991;

(6) of the custodial parents described in paragraph (5), approximately ½ of the parents due child support received full payment and the remaining ½ were divided equally between those receiving partial payment (24 percent) and those receiving nothing (25 percent);

(7) as a result of the situation described in paragraphs (5) and (6), increasing numbers of families are turning to the child support program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) for assistance, accounting for an over 40 percent increase in the caseload under that program during the 1991 to 1995 period;

(8) during the 1991 to 1995 period, the percentage of cases under the title IV-D child support program in which a collection was made declined from 19.3 percent to 18.9 percent;

(9) the Internal Revenue Service has improved its performance in making collections in cases referred to it by the title IV-D child support program, moving from successfully intercepting Federal income tax refunds in 992,000 cases in 1992 to successfully intercepting Federal income tax refunds in 1,200,000 cases in 1996;

(10) in cases under the title IV-D child support program in which a collection is made, approximately ⅓ of such cases are cases where some or all of the collection is a result of a Federal tax refund intercept;

(11) in 1995, the average amount collected for families in which the Internal Revenue Service made a collection through the Federal tax refund intercept method was $827 for families receiving Aid to Families with Dependent Children and $847 for other families; and

(12) State-by-State child support guidelines have resulted in orders that vary significantly from State to State, resulting in low awards and inequities for children.

(b) PURPOSE.—It is the purpose of this Act to—

(1) provide for the review of various State child support guidelines to determine how custodial parents and children are served by such guidelines;

(2) increase the economic security of children, improve the enforcement of child support awards through a more centralized, efficient system; and

(3) improve the enforcement of child support orders by placing responsibility for enforcement in the Internal Revenue Service.

TITLE I—NATIONAL CHILD SUPPORT GUIDELINES COMMISSION

SEC. 101. NATIONAL CHILD SUPPORT GUIDELINES COMMISSION.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the ''National Child Support Guidelines Commission'' (in this section referred to as the ''Commission'').

(b) GENERAL DUTIES.—The Commission shall study and evaluate the various child support guidelines currently in use by the States, identify the benefits and deficiencies of such guidelines in providing adequate support for children, and recommend any needed improvements.

(c) MATTERS FOR CONSIDERATION BY THE COMMISSION.—In making the recommendations concerning guidelines required under subsection (b), the Commission shall consider—

(1) matters generally applicable to all support orders, including—

(A) the relationship between the guideline amounts and the actual costs of raising children; and

(B) how to define income and under what circumstances income should be imputed;

(2) the appropriate treatment of cases in which either or both parents have financial obligations to more than 1 family, including the effect (if any) to be given to—

(A) the income of either parent's spouse; and

(B) the financial responsibilities of either parent for other children or stepchildren;

(3) the appropriate treatment of expenses for child care (including care of the children of either parent, and work-related or job-training-related child care);

(4) the appropriate treatment of expenses for health care (including uninsured health care) and other extraordinary expenses for children with special needs;

(5) the appropriate duration of support by 1 or both parents, including

(A) support (including shared support) for post-secondary or vocational education; and

(B) support for disabled adult children;

(6) procedures to automatically adjust child support orders periodically to address changed economic circumstances, including changes in the consumer price index or either parent's income and expenses in particular cases; and

(7) whether, or to what extent, support levels should be adjusted in cases in which custody is shared or in which the noncustodial parent has extended visitation rights.

(d) MEMBERSHIP.—

(1) NUMBER; APPOINTMENT.—

(A) IN GENERAL.—The Commission shall be composed of 12 individuals appointed jointly by the Secretary of Health and Human Services and the Congress, not later than January 15, 1998, of which—

(i) 2 shall be appointed by the Chairman of the Committee on Finance of the Senate, and 1 shall be appointed by the ranking minority member of the Committee;

(ii) 2 shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives, and 1 shall be appointed by the ranking minority member of the Committee; and

(iii) 6 shall be appointed by the Secretary of Health and Human Services.

(B) QUALIFICATIONS OF MEMBERS.—Members of the Commission shall have expertise and experience in the evaluation and development of child support guidelines. At least 1 member shall represent advocacy groups for custodial parents, at least 1 member shall represent advocacy groups for noncustodial parents, and at least 1 member shall be the director of a State program under part D of title IV of the Social Security Act.

(2) TERMS OF OFFICE.—Each member shall be appointed for a term of 2 years. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(e) COMMISSION POWERS, COMPENSATION, ACCESS TO INFORMATION, AND SUPERVISION.—The first sentence of subparagraph (C), the first and third sentences of subparagraph (D), subparagraph (F) (except with respect to the conduct of medical studies), clauses (ii) and (iii) of subparagraph (G), and subparagraph (H) of section 1886(e)(6) of the Social Security Act shall apply to the Commission in the same manner in which such provisions apply to the Prospective Payment Assessment Commission.

(f) REPORT.—Not later than 2 years after the appointment of members, the Commission shall submit to the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a final assessment of how States, through various child support guideline models, are serving custodial parents and children.

(g) TERMINATION.—The Commission shall terminate 6 months after the submission of the report described in subsection (e).

TITLE II—CENTRALIZED CHILD SUPPORT ENFORCEMENT

SEC. 201. ESTABLISHMENT OF THE OFFICE OF THE ASSISTANT COMMISSIONER FOR CENTRALIZED CHILD SUPPORT ENFORCEMENT.

(a) IN GENERAL.—For purposes of locating absent parents and facilitating the enforcement of child support obligations, the Secretary of the Treasury shall establish within the Internal Revenue Service an Office of the Assistant Commissioner for Centralized Child Support Enforcement which shall establish not later than October 1, 1997, a Division of Enforcement for the purpose of carrying out the duties described in section 203.

(b) COORDINATION.—The Secretary of the Treasury, in consultation with the Secretary of Health and Human Services shall issue regulations for the coordination of activities among the Office of the Assistant Commissioner for Centralized Child Support Enforcement, the Assistant Secretary for Children and Families, and the States, to facilitate the purposes of this title.

SEC. 202. USE OF FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS AND NATIONAL DIRECTORY OF NEW HIRES.

Section 453(j)(2) of the Social Security Act (42 U.S.C. 653(j)(2)) is amended to read as follows:

''(2) INFORMATION COMPARISONS.—

''(A) IN GENERAL.—For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

''(i) compare information in the National Directory of New Hires against information in the support case abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

''(ii) within 2 business days after such a comparison reveals a match with respect to an individual, report the information to the Division of Enforcement for centralized enforcement.

''(B) CASES REFERRED TO DIVISION OF ENFORCEMENT.—If a case is referred to the Division of Enforcement by the Secretary under subparagraph (A)(ii), the Division of Enforcement shall—

''(i) notify the custodial and noncustodial parents of such referral,

''(ii) direct the employer to remit all child support payments to the Internal Revenue Service;

''(iii) receive all child support payments made pursuant to the case;

''(iv) record such payments; and

''(v) promptly disburse the funds—

''(I) if there is an assignment of rights under section 408(a)(3), in accordance with section 457, and

''(II) in all other cases, to the custodial parent.''.

SEC. 203. DIVISION OF ENFORCEMENT.

(a) IN GENERAL.—With respect to the Division of Enforcement, the duties described in this section are as follows:

(1) Enforce all child support orders referred to the Division of Enforcement—

(A) under section 453(j)(2)(A)(ii) of the Social Security Act (42 U.S.C. 653(j)(2)(A)(ii));

(B) by the State in accordance with section 454(35) of such Act (42 U.S.C. 654(35)); and

(C) under section 452(b) of such Act (42 U.S.C. 652(b)).

(2) Enforce a child support order in accordance with the terms of the abstract contained in the Federal Case Registry of Child Support Orders or the modified terms of such an order upon notification of such modifications by the Secretary of Health and Human Services.

(3) Enforce medical support provisions of any child support order using any means available under State or Federal law.

(4) Receive and process requests for a Federal income tax refund intercept made in accordance with section 464 of the Social Security Act (42 U.S.C. 664).

(b) FAILURE TO PAY AMOUNT OWING.—With respect to any child support order being enforced by the Division of Enforcement, if an individual fails to pay the full amount required to be paid on or before the due date for such payment, the Office of the Assistant Commissioner for Centralized Child Support Enforcement, through the Division of Enforcement, may assess and collect the unpaid amount in the same manner, with the same powers, and subject to the same limitations applicable to a tax imposed by subtitle C of the Internal Revenue Code of 1986 the collection of which would be jeopardized by delay.

(c) USE OF FEDERAL COURTS.—The Office of the Assistant Commissioner for Centralized Child Support Enforcement, through the Division of Enforcement, may utilize the courts of the United States to enforce child support orders against absent parents upon a finding that—

(1) the order is being enforced by the Division of Enforcement; and

(2) utilization of such courts is a reasonable method of enforcing the child support order.

(d) CONFORMING AMENDMENTS.—

(1) Section 452(a)(8) (42 U.S.C. 652(a)(8)) is repealed.

(2) Section 452(c) (42 U.S.C. 652(c)) is repealed.

SEC. 204. STATE PLAN REQUIREMENTS.

(a) IN GENERAL.—Section 454 of the Social Security Act (42 U.S.C. 654) is amended by striking ''and'' at the end of paragraph (32), by striking the period at the end of paragraph (33) and inserting ''; and'', and by inserting after paragraph (33) the following new paragraph:

''(34) provide that the State will cooperate with the Office of the Assistant Commissioner for Centralized Child Support Enforcement to facilitate the exchange of information regarding child support cases and the enforcement of orders by the Commissioner.''.

(b) CONFORMING AMENDMENT.—Section 455(b) of the Social Security Act (42 U.S.C. 655(b)) is amended by striking ''454(34)'' and inserting ''454(33)''.

SEC. 205. DEFINITIONS.

Any term used in this title which is also used in part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) shall have the meaning given such term by such part.

TITLE III—EFFECTIVE DATES

SEC. 301. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in this Act or subsection (b), the amendments made by this Act take effect on the date of enactment of this Act.

(b) SPECIAL RULE.—In the case of a State that the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order to meet the additional requirements imposed by the amendments made by this Act, the State shall not be regarded as failing to comply with the requirements of such amendments before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of this subsection, in the case of a State that has a 2-year legislative session, each year of the session shall be treated as a separate regular session of the State legislature.

S. 1075

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Child Support Assurance Act of 1997''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1) Increasingly, children are raised in families with only 1 parent present, usually the mother, and these single-parent families are 5 times as likely to be poor as 2-parent families.

(2) The failure of noncustodial parents to pay their fair share of child support is a significant contributor to poverty among single-parent families.

(3) In 1990, there was a $33,700,000,000 gap between the amount of child support that was received and the amount that could have been collected.

(4) In 1991, the aggregate child support income deficit was $5,800,000,000.

(5) As of spring 1992, only 54 percent, or 6,200,000, of custodial parents received awards of child support. Of the 6,200,000 custodial parents awarded child support, 5,300,000 were supposed to receive child support payments in 1991. Approximately ½ of the parents due child support received full payment; the remaining ½ were divided equally between those receiving partial payment (24 percent) and those receiving nothing (25 percent).

(6) Custodial parents who are poor are much more likely to receive no child support. Of the 3,700,000 custodial parents who were poor in 1991, over ¾ received no child support. Only 34 percent of poor custodial parents had child support awards and were supposed to receive child support payments in 1991. Of those parents, only 40 percent received full payment, 29 percent received partial payment, and 32 percent received nothing.

(7) The percentage of poor women who were awarded child support in 1991, 39 percent, was significantly lower than the 65 percent award rate for nonpoor women.

(8) Families fare better with child support than without that support. In 1991, 43 percent of custodial parents who did not have child support orders were poor.

(9) In 1991, the average total money income of custodial parents receiving child support due was 21 percent higher than that received by parents who did not receive child support due and was 45 percent higher than that received by custodial parents with no child support award at all.

(b) PURPOSES.—The purposes of this Act are to enable participating States to establish child support assurance systems in order to improve the economic circumstances of children who do not receive a minimum level of child support in a given month from the noncustodial parents of such children, to strengthen the establishment and enforcement of child support awards, and to promote work by custodial and noncustodial parents.

SEC. 3. DEFINITIONS.

In this Act:

(1) CHILD.—The term ''child'' means an individual who is of such an age, disability, or educational status as to be eligible for child support as provided for by law.

(2) ELIGIBLE CHILD.—The term ''eligible child'' means a child—

(A) who is not currently receiving cash assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(B) who meets the eligibility requirements established by the State for participation in a project administered under this section; and

(C) who is the subject of a support order, as defined in section 453(p) of the Social Security Act (42 U.S.C. 653(p)), or for which good cause exists, as determined by the appropriate State agency under section 454(29)(A) of such Act (42 U.S.C. 654(29)(A)), for not having or pursuing a support order.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

SEC. 4. ESTABLISHMENT OF CHILD SUPPORT ASSURANCE DEMONSTRATION PROJECTS.

(a) DEMONSTRATIONS AUTHORIZED.—The Secretary shall make grants to not less than 3 and not more than 5 States to conduct demonstration projects for the purpose of establishing or improving a system of an assured minimum child support payment to an eligible child in accordance with this section.

(b) APPLICATION AND SELECTION.—

(1) APPLICATION REQUIREMENTS.—An application for a grant under this section shall be submitted by the Chief Executive Officer of a State and shall—

(A) contain a description of the proposed child support assurance project to be established, implemented, or improved using amounts provided under this section, including the level of the assured minimum child support payment to be provided and the agencies that will be involved;

(B) specify whether the project will be carried out throughout the State or in limited areas of the State;

(C) specify the level of income, if any, at which a recipient or applicant will be ineligible for an assured minimum child support payment under the project;

(D) estimate the number of children who will be eligible for assured minimum child support payments under the project;

(E) contain a description of the work requirements, if any, for noncustodial parents whose children are participating in the project;

(F) contain a commitment by the State to carry out the project during a period of not less than 3 and not more than 5 consecutive fiscal years beginning with fiscal year 1998; and

(G) contain such other information as the Secretary may require by regulation.

(2) SELECTION CRITERIA.—The Secretary shall consider geographic diversity in the selection of States to conduct a demonstration project under this section, and any other criteria that the Secretary determines will contribute to the achievement of the purposes of this Act.

(c) USE OF FUNDS.—A State shall use amounts provided under a grant awarded under this section to carry out a child support assurance project that is designed to provide a minimum monthly child support payment for each eligible child participating

in the project to the extent that such minimum child support is not paid in a month by the noncustodial parent.

(d) TREATMENT OF CHILD SUPPORT PAYMENT.—Any assured minimum child support payment received by an individual under this Act shall be considered child support for purposes of determining the treatment of such payment under—

(1) the Internal Revenue Code of 1986; and

(2) any eligibility requirements for any means-tested program of assistance.

(e) DURATION.—A demonstration project conducted under this section shall commence on October 1, 1997, and shall be conducted for not less than 3 and not more than 5 consecutive fiscal years, except that the Secretary may terminate a project before the end of such period if the Secretary determines that the State conducting the project is not in compliance with the terms of the application approved by the Secretary under this section.

(f) EVALUATIONS AND REPORTS.—

(1) STATE EVALUATIONS.—

(A) IN GENERAL.—Each State administering a demonstration project under this section shall—

(i) provide for evaluation of the project, meeting such conditions and standards as the Secretary may require; and

(ii) submit to the Secretary reports, at the times and in the formats as the Secretary may require, and containing any information (in addition to the information required under subparagraph (B)) as the Secretary may require.

(B) REQUIRED INFORMATION.—A report submitted under subparagraph (A)(ii) shall include information on and analysis of the effect of the project with respect to—

(i) the amount of child support collected for project recipients;

(ii) the economic circumstances and work efforts of custodial parents;

(iii) the work efforts of noncustodial parents;

(iv) the rate of compliance by noncustodial parents with support orders;

(v) project recipients' need for assistance under means-tested assistance programs other than the project administered under this section; and

(vi) any other matters that the Secretary may specify.

(C) METHODOLOGY.—Information required under this paragraph shall be collected through the use of scientifically acceptable sampling methods.

(2) REPORTS TO CONGRESS.—The Secretary shall, on the basis of reports received from States administering projects under this section, submit interim reports, and, not later than 6 months after the conclusion of all projects administered under this section, a final report to Congress. A report submitted under this paragraph shall contain an assessment of the effectiveness of the State projects administered under this section and any recommendations for legislative action that the Secretary considers appropriate.

(g) FUNDING LIMITS; PRO RATA REDUCTIONS OF STATE MATCHING.—

(1) FUNDS AVAILABLE.—There shall be available to the Secretary, from amounts made available to carry out part D of title IV of the Social Security Act, for purposes of carrying out demonstration projects under this section, amounts not to exceed—

(A) $27,000,000 for fiscal year 1998;

(B) $55,000,000 for fiscal year 1999; and

(C) $70,000,000 for each of fiscal years 2000 through 2003.

(2) PRO RATA REDUCTIONS.—The Secretary shall make pro rata reductions in the amounts otherwise payable to States under this section as necessary to comply with the funding limitation specified in paragraph (1).

SEC. 5. MANDATORY REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS FOR TANF RECIPIENTS.

Section 466(a)(10) of the Social Security Act (42 U.S.C. 666(a)(10)) is amended—

(1) in subparagraph (A)(i), by striking ''or, if there is an assignment under part A, upon the request of the State agency under the State plan or of either parent,''; and

(2) by adding at the end the following:

''(D) MANDATORY 3–YEAR REVIEW FOR PART A ASSIGNMENTS.—Procedures under which the State shall conduct the review under subparagraph (A) and make any appropriate adjustments under such subparagraph not less than every 3 years in the case of an assignment under part A.''.

By Mr. MACK (for himself, Mr. GRAHAM, and Mr. KENNEDY) (by request):

S. 1076. A bill to provide relief to certain aliens who would otherwise be subject to removal from the United States; to the Committee on the Judiciary.

THE IMMIGRATION REFORM TRANSITION ACT OF 1997

Mr. MACK. Mr. President, today I join my friends Senator GRAHAM and Senator KENNEDY in introducing a bill which would ease the transition into implementation of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 [IIRAIRA] for certain Central American immigrants. This legislation, which has been requested by President Clinton, is designed to ensure that those immigrants who were in the administrative pipeline at the time IIRAIRA took effect will have their cases decided under the set of rules in place before enactment of IIRAIRA. This legislation will by no means grant amnesty to anyone; it will ensure that each individual will have their application for suspension of deportation given full and fair consideration.

This legislation is a matter of freedom, justice, human rights and fundamental fairness. During consideration of IIRAIRA, I maintained that those immigrants who were already in this country should not have the rules changed on them midstream. Many Central American immigrants have planted deep roots in the United States and are valued members of their communities. They should be free from the fear of deportation without a full consideration of their request for suspension of that deportation under the set of rules in place at the time that they applied.

Ten years ago, in the mountains of Nicaragua, I spoke to thousands of young men who were fighting for freedom. I told them then that we would not forget them, and I tell them now that we will not forget them.

I urge the Senate's expedient consideration and passage of this legislation.

Mr. GRAHAM. Mr. President, today I am honored to join my colleague and friend Senator CONNIE MACK in introducing the Immigration Reform Transition Act of 1997.

This is a bipartisan, humane solution to concerns that were raised by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

Thousands of families, hard-working, law-abiding, taxpaying individuals who had followed every rule and regulation up to the passage of the immigration bill last year now live in fear of deportation.

Working together, and working swiftly, Congress has the opportunity to correct this injustice.

The families that we are helping came to our Nation in the 1980's. Our own Government encouraged them to flee the Communist regimes and civil unrest of Central America at that time.

Our Nation's foreign policy gave them a safe haven; our Immigration Service allowed for their work authorization and they settled in to our American society.

Ten or fifteen years later, these families have homes here. They have U.S. citizen children. They have jobs; they pay taxes, and they make tremendous contributions to our local communities.

The Illegal Immigration and Immigrant Responsibility Act of 1996 severely restricted the avenues of relief that were traditionally available to aliens who have resided in the United States on a long-term basis.

Then, on February 20 of this year, the Board of Immigration Appeals interpreted a section of the immigration bill as applying, in all essence, retroactively.

Forty thousand Nicaraguans in Miami alone who, under the old law, would have qualified for suspension of deportation, would now be deportable because of Board's decision.

Families would be torn apart. Close-knit communities would evaporate. Businesses would suffer. In my heart, I don't believe this was the intent of Congress when the immigration bill was passed last year.

Janet Reno made an important step toward fairness and justice on July 11, when she agreed to review the Board of Immigration Appeal's decision. I supported her action, and appreciate her help in finding a humane and reasonable solution to these concerns.

In her July 11 press release, the Attorney General informed Congress that legislative action would be necessary to fully resolve this specific issue.

I am pleased to work with her, and my Senate colleagues, today to take the first step in accomplishing our legislative goal.

This legislation is crafted very narrowly. It recognizes the special circumstances in which Nicaraguans, and other Central Americans, came to the United States during a specific period of time—when they were fleeing the unrest created by the Communist governments of the era.

It allows this specific group of individuals and families to complete the process that they may have started 10 or 15 years ago—and importantly—to complete the process under the same set of rules that they started with.

Critics may say that we are undoing the immigration bill of last year. We are not. The 4000-per-year cap on suspensions of deportation is still intact, we are just not applying it to this specific group of individuals.

The stronger standards to qualify or suspension of deportation still remain current law. We are just allowing this group to go through the process without changing the rules in midstream.

Also important: this is not an amnesty bill. Each request will be decided on a case by case basis. If someone has been of bad moral character, they will not qualify. If someone has not been here the required amount of time, they will not qualify.

We are saying that those who played by the rules will have a fair opportunity to have their case heard by an immigration judge.

I welcome comments from the broader community on this legislation, and look forward to the opportunity to work with the Senate Judiciary Committee and Immigration Subcommittee to ensure its future success.

I ask my Senate colleagues to join with me today in this bipartisan effort to ensure fairness to hard working families.

Mr. KENNEDY. Mr. President, it is a privilege to join Senator MACK and Senator GRAHAM in introducing the Immigration Reform Transition Act of 1997 proposed by President Clinton.

Without this legislation, thousands of Central American refugee families who fled death squads and persecution in their native lands would be forced to return. Republican and Democratic administrations alike promised them repeatedly that they will get their day in court to make their claims before an immigration judge to remain in the United States.

But last year's immigration law turned its back on that commitment and closed the door on these families. This legislation reinstates the promise and guarantees these families the day in court they deserve.

Virtually all of these families fled to the United States in the 1980's from El Salvador, Nicaragua, or Guatemala. Many were targeted by death squads and faced persecution at the hands of rogue militias. They came to America to seek safe haven and freedom for themselves and their children.

The Reagan administration, the Bush administration, and the Clinton administration assured them that they could apply to remain permanently in the United States under our immigration laws. If they have lived here for at least 7 years and are of good moral character, and if a return to Central America will be an unusual hardship, they are allowed to remain.

Last year's immigration law eliminated this opportunity for these families by changing the standard for humanitarian relief.

President Clinton has promised to find a fair and reasonable solution for these families, and the administration will use its authority to help as many of them as possible. But Congress must do its part too, by enacting this corrective legislation.

These families are law-abiding, taxpaying members of communities in all parts of America. Their children have grown up here. In fact, many of their children were born here and are U.S. citizens by birth. They deserve this chance.

Mr. President, it is my hope not only that we can move on this legislation—and move quickly—but also that certain issues can be addressed as the Senate considers it. In particular, I believe that the limitations on judicial review contained in the administration's bill are both unnecessary and unwise. There are already substantial limitations on judicial review contained in last year's immigration law that would also apply in this instance. We should not add to them in this legislation. Instead, we should ensure that, if mistakes are made, the courts can correct them.

Again, I commend the administration for this important initiative and am pleased to join Senator MACK and Senator GRAHAM in cosponsoring the legislation.

By Mr. MCCAIN (for himself and Mr. INOUYE):

S. 1077. A bill to amend the Indian Gaming Regulatory Act, and for other purposes; to the Committee on Indian Affairs.

THE INDIAN GAMING REGULATORY ACT AMENDMENTS ACT OF 1997

Mr. MCCAIN. Mr. President, I am pleased to be joined today by Senator INOUYE, is sponsoring the Indian Gaming Regulatory Act Amendments Act of 1997. I want to associate myself with Senator INOUYE'S, remarks regarding this legislation and the issue of Indian gaming. I commend Senator INOUYE for his outstanding leadership over the years on this complex issue. This legislation is intended to stimulate discussion in the Congress and among the tribes on this important issue.

The bill I am introducing today would provide for a major overhaul of the Indian Gaming Regulatory Act of 1988. It will provide for minimum Federal standards in the regulation and licensing of class II and class III gaming as well as all of the contractors, suppliers, and industries associated with such gaming. This will be accomplished through the Federal Indian Gaming Regulator Commission which will be funded through assessments on Indian gaming revenues and fees imposed on license applicants. The bill also provides a new process for the negotiation of class III compacts which authorizes the Secretary of the Interior to negotiate compacts with Indian tribes in those instances where a State chooses not to participate in compact negotiations or where an Indian tribe and a State cannot reach an agreement on a compact. This process is consistent with recent Federal court decisions.

In addition, the bill is consistent with the 1987 decision of the U.S. Supreme Court in the case of California versus Cabazon Band of Mission Indians in that it neither expands nor further restricts the scope of Indian gaming. The laws of each State would continue to be the basis for determining what gaming activities may be available to an Indian tribe located in that State.

Since the enactment of the Indian Gaming Regulatory Act in 1988, there has been a dramatic increase in the amount of gaming activity among the Indian tribes. Indian gaming is now estimated to yield gross revenues of about $6 billion per year and net revenues are estimated at $750 million. There are about 160 class II bingo and card games in operation and over 145 tribal/State compacts governing class III gaming in 2 States. Indian gaming comprises about 3 percent of all gaming in the United States. Gaming activities operated by State governments comprises about 36 percent of all gaming, and the private sector accounts for the balance of the gaming activity in the Nation.

Indian gaming has become the largest source of economic activity for some Indian tribes. Annual revenues derived from Indian agricultural resources have been estimated at $550 million and have historically been the leading source of income for Indian tribes and individuals. Annual revenues from oil, gas, and minerals are about $230 million and Indian forestry revenue are estimated at $61 million. Gaming revenues now equal or exceed all of the revenues derived from Indian natural resources. In addition, Indian gaming has generated tens of thousands of new jobs for Indians and non-Indians. On many reservations, gaming has meant the end of unemployment rates of 90 to 100 percent and the beginning of an era of full employment.

Under the Indian Gaming Regulatory Act of 1988, Indian tribes are required to expend the profits from gaming activities to fund tribal government operations or programs and to promote tribal economic development. Profits may only be distributed directly to the members of an Indian tribe under a plan which has been approved by the Secretary of the Interior. Only a few such plans have been approved. Virtually all of the proceeds from Indian gaming activities are used to fund the social services, education, and health needs of the Indian tribes. Schools, health facilities, roads and other vital infrastructure are being built by the Indian tribes with the proceeds from Indian gaming.

In the years before enactment of the 1988 act, and even since its enactment, we have heard concerns about the possibility of organized criminal elements penetrating Indian gaming. Both the Department of Justice and the FBI have repeatedly testified before the Committee on Indian Affairs and have indicated that there is not any substantial criminal activity of any kind

associated with Indian gaming. Some of our colleagues have suggested that no one would know if there is criminal activity because not enough people are looking for it. I believe that this point of view overlooks the fact the act provides for a very substantial regulatory and law enforcement role by the States and Indian tribes in class III gaming and by the Federal Government in class II gaming. The record clearly shows that in the few instances of known criminal activity in class III gaming, the Indian tribes have discovered the activity and have sought Federal assistance in law enforcement.

Nevertheless, the record before the Committee on Indian Affairs also shows that the absence of minimum Federal standards for the regulation and licensing of Indian gaming has allowed a void to develop which will become more and more attractive to criminal elements as Indian gaming continues to generate increased revenues. The legislation I am introducing today provides for the development of strict minimum Federal standards based on the recommendations of Federal, State and tribal officials. While Indian tribes or States, or both, will continue to exercise primary regulatory authority, their regulatory standards must meet or exceed the minimum Federal standards. In the event that the Federal Indian Gaming Regulatory determines that the minimum Federal standards are not being met, then the Commission may directly regulate the gaming activity until such time as Federal standards are met. In addition, the Commission is vested with authority to issue and revoke licenses as well as to impose civil fines, close Indian gaming facilities or seek enforcement of the act through the Federal courts.

One of the areas which has caused the greatest controversy under the current law relates to what has come to be known as the scope of gaming. A related issue is the refusal of some States to enter into negotiations for a class III compact and their assertion of sovereign immunity under the 11th amendment to the Constitution when an Indian tribe seeks judicial relief as provided by the act. The bill I am introducing incorporates the explicit standards of the Cabazon decision to guide all parties in determining the permissible gaming activities under the laws of any State. State laws will continue to govern this issue. I have not proposed the preemption of the gaming laws of any State. In most States, the issue of scope of gaming has now been settled through negotiation or litigation. In a few States this issue remains unresolved, but appears headed toward resolution by the courts.

In the course of our work on the gaming issue in the two previous Congresses, Senators CAMPBELL, INOUYE and I advanced various formal and informal proposals for Federal legislation to resolve the scope of gaming issue. In addition, proposals were developed by State and Tribal officials. However, we were never able to develop a consensus on any one proposal. While the Committee on Indian Affairs remains open to suggestions on this issue, it is apparent that obtaining a consensus may not be possible. This may be an area of the law best left to resolution through the courts.

Mr. President, I am sure that we may find many ways to improve this legislation as it moves through the Senate. However, I believe that it provides a good foundation for our further consideration of this important issue. This legislation is essentially the same as the bill that was reported favorably for the Committee on Indian Affairs during the last Congress by a vote of 14 to 2. I want to emphasize that this bill is intended to stimulate discussion. I am looking forward to hearing from all interested parties with regard to their constructive suggestions for ways to improve the bill and move it forward. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1077

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Indian Gaming Regulatory Act Amendments Act of 1997''.

SEC. 2. AMENDMENTS TO THE INDIAN GAMING REGULATORY ACT.

The Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.) is amended—

(1) by striking the first section and inserting the following new section:

''SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

''(a) SHORT TITLE.—This Act may be cited as the 'Indian Gaming Regulatory Act'.

''(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

''Sec. 1. Short title; table of contents.
''Sec. 2. Congressional findings.
''Sec. 3. Purposes.
''Sec. 4. Definitions.
''Sec. 5. Establishment of the Federal Indian Gaming Regulatory Commission.
''Sec. 6. Powers of the Chairperson.
''Sec. 7. Powers and authority of the Commission.
''Sec. 8. Regulatory framework.
''Sec. 9. Advisory Committee on Minimum Regulatory Requirements and Licensing Standards.
''Sec. 10. Licensing.
''Sec. 11. Requirements for the conduct of class I and class II gaming on Indian lands.
''Sec. 12. Class III gaming on Indian lands.
''Sec. 13. Review of contracts.
''Sec. 14. Review of existing contracts; interim authority.
''Sec. 15. Civil penalties.
''Sec. 16. Judicial review.
''Sec. 17. Commission funding.
''Sec. 18. Authorization of appropriations.
''Sec. 19. Application of the Internal Revenue Code of 1986.
''Sec. 20. Gaming on lands acquired after October 17, 1988.
''Sec. 21. Dissemination of information.
''Sec. 22. Severability.
''Sec. 23. Criminal penalties.
''Sec. 24. Conforming amendment.'';

(2) by striking sections 2 and 3 and inserting the following new sections:

''SEC. 2. CONGRESSIONAL FINDINGS.

''Congress finds that—

''(1) Indian tribes are—

''(A) engaged in the operation of gaming activities on Indian lands as a means of generating tribal governmental revenue; and

''(B) licensing the activities described in subparagraph (A);

''(2) clear Federal standards and regulations for the conduct of gaming on Indian lands will assist tribal governments in assuring the integrity of gaming activities conducted on Indian lands;

''(3) a principal goal of Federal Indian policy is to promote tribal economic development, tribal self-sufficiency, and strong Indian tribal governments;

''(4) while Indian tribes have the right to regulate the operation of gaming activities on Indian lands, if those gaming activities are—

''(A) not specifically prohibited by Federal law; and

''(B) conducted within a State that as a matter of public policy permits those gaming activities,

Congress has the authority to regulate the privilege of doing business with Indian tribes in Indian country (as that term is defined in section 1151 of title 18, United States Code);

''(5) systems for the regulation of gaming activities on Indian lands should meet or exceed federally established minimum regulatory requirements;

''(6) the operation of gaming activities on Indian lands has had a significant impact on commerce with foreign nations, among the several States and with the Indian tribes; and

''(7) the Constitution vests Congress with the powers to regulate Commerce with foreign nations, and among the several States, and with the Indian tribes, and this Act is enacted in the exercise of those powers.

''SEC. 3. PURPOSES.

''The purposes of this Act are—

''(1) to ensure the right of Indian tribes to conduct gaming activities on Indian lands in a manner consistent with the decision of the Supreme Court in California et al. v. Cabazon Band of Mission Indians et al. (480 U.S. 202, 107 S. Ct. 1083, 94 L. Ed. 2d 244 (1987)), involving the Cabazon and Morongo bands of Mission Indians;

''(2) to provide a statutory basis for the conduct of gaming activities on Indian lands as a means of promoting tribal economic development, tribal self-sufficiency, and strong Indian tribal governments;

''(3) to provide a statutory basis for the regulation of gaming activities on Indian lands by an Indian tribe that is adequate to shield those activities from organized crime and other corrupting influences, to ensure that an Indian tribal government is the primary beneficiary of the operation of gaming activities, and to ensure that gaming is conducted fairly and honestly by both the operator and players; and

''(4) to declare that the establishment of independent Federal regulatory authority for the conduct of gaming activities on Indian lands and the establishment of Federal minimum regulatory requirements for the conduct of gaming activities on Indian lands are necessary to protect that gaming.'';

(3) in section 4—

(A) by redesignating paragraphs (7) and (8) as paragraphs (6) and (7), respectively;

(B) by striking paragraphs (1) through (6) and inserting the following new paragraphs:

''(1) APPLICANT.—The term 'applicant' means any person who applies for a license pursuant to this Act, including any person who applies for a renewal of a license.

''(2) ADVISORY COMMITTEE.—The term 'Advisory Committee' means the Advisory Committee on Minimum Regulatory Requirements and Licensing Standards established under section 9(a).

''(3) ATTORNEY GENERAL.—The term 'Attorney General' means the Attorney General of the United States.

''(4) CHAIRPERSON.—The term 'Chairperson' means the Chairperson of the Federal Indian Gaming Regulatory Commission established under section 5.

''(5) CLASS I GAMING.—The term 'class I gaming' means social games played solely for prizes of minimal value or traditional forms of Indian gaming engaged in by individuals as a part of, or in connection with, tribal ceremonies or celebrations.'';

(C) by striking paragraphs (9) and (10); and

(D) by adding after paragraph (7) (as redesignated by subparagraph (A) of this paragraph) the following new paragraphs:

''(8) COMMISSION.—The term 'Commission' means the Federal Indian Gaming Regulatory Commission established under section 5.

''(9) COMPACT.—The term 'compact' means an agreement relating to the operation of class III gaming on Indian lands that is entered into pursuant to this Act.

''(10) GAMING OPERATION.—The term 'gaming operation' means an entity that conducts class II or class III gaming on Indian lands.

''(11) GAMING-RELATED CONTRACT.—The term 'gaming-related contract' means—

''(A) any agreement for an amount of more than $50,000 per year under which an Indian tribe or an agent of any Indian tribe procures gaming materials, supplies, equipment, or services that are used in the conduct of a class II or class III gaming activity; or

''(B) any agreement or contract that provides for financing of an amount more than $50,000 per year for the construction or rehabilitation of any facility in which a gaming activity is to be conducted.

''(12) GAMING-RELATED CONTRACTOR.—The term 'gaming-related contractor' means any person who enters into a gaming-related contract with an Indian tribe or an agent of an Indian tribe, including any person with a financial interest in such contract.

''(13) GAMING SERVICE INDUSTRY.—The term 'gaming service industry' means any form of enterprise that provides goods or services that are used in conjunction with any class II or class III gaming activity, in any case in which—

''(A) the proposed agreement between the enterprise and a class II or class III gaming operation, or the aggregate of such agreements is for an amount of not less than $100,000 per year; or

''(B) the amount of business conducted by such enterprise with any such gaming operation in the 1-year period preceding the effective date of the proposed agreement between the enterprise and a class II or class III gaming operation was not less than $250,000.

''(14) INDIAN LANDS.—The term 'Indian lands' means—

''(A) all lands within the limits of any Indian reservation; and

''(B) any lands—

''(i) the title to which is held in trust by the United States for the benefit of any Indian tribe; or

''(ii)(I) the title to which is—

''(aa) held by an Indian tribe subject to a restriction by the United States against alienation;

''(bb) held in trust by the United States for the benefit of an individual Indian; or

''(cc) held by an individual subject to restriction by the United States against alienation; and

''(II) over which an Indian tribe exercises governmental power.

''(15) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community of Indians that—

''(A) is recognized as eligible by the Secretary for the special programs and services provided by the United States to Indians because of their status as Indians; and

''(B) is recognized as possessing powers of self-government.

''(16) KEY EMPLOYEE.—The term 'key employee' means any individual employed in a gaming operation licensed pursuant to this Act in a supervisory capacity or empowered to make any discretionary decision with regard to the gaming operation, including any pit boss, shift boss, credit executive, cashier supervisor, gaming facility manager or assistant manager, or manager or supervisor of security employees.

''(17) MANAGEMENT CONTRACT.—The term 'management contract' means any contract or collateral agreement between an Indian tribe and a contractor, if such contract or agreement provides for the management of all or part of a gaming operation.

''(18) MANAGEMENT CONTRACTOR.—The term 'management contractor' means any person entering into a management contract with an Indian tribe or an agent of the Indian tribe for the management of a gaming operation, including any person with a financial interest in that contract.

''(19) MATERIAL CONTROL.—The term 'material control' means the exercise of authority or supervision or the power to make or cause to be made any discretionary decision with regard to matters which have a substantial effect on the financial or management aspects of a gaming operation.

''(20) NET REVENUES.—The term 'net revenues' means the gross revenues of an Indian gaming activity reduced by the sum of—

''(A) any amounts paid out or paid for as prizes; and

''(B) the total operating expenses associated with the gaming activity, excluding management fees.

''(21) PERSON.—The term 'person' means an individual, firm, corporation, association, organization, partnership, trust, consortium, joint venture, or entity.

''(22) SECRETARY.—The term 'Secretary' means the Secretary of the Interior.'';

(4) by striking sections 5 through 19 and inserting the following new sections:

''SEC. 5. ESTABLISHMENT OF THE FEDERAL INDIAN GAMING REGULATORY COMMISSION.

''(a) ESTABLISHMENT.—There is established as an independent agency of the United States, a Commission to be known as the Federal Indian Gaming Regulatory Commission. Such Commission shall be an independent establishment, as defined in section 104 of title 5, United States Code.

''(b) COMPOSITION OF THE COMMISSION.—

''(1) IN GENERAL.—The Commission shall be composed of 3 full-time members, who shall be appointed by the President, by and with the advice and consent of the Senate.

''(2) CITIZENSHIP OF MEMBERS.—Each member of the Commission shall be a citizen of the United States.

''(3) REQUIREMENTS FOR MEMBERS.—No member of the Commission may—

''(A) pursue any other business or occupation or hold any other office;

''(B) be actively engaged in or, other than through distribution of gaming revenues as a member of an Indian tribe, have any pecuniary interest in gaming activities;

''(C) other than through distribution of gaming revenues as a member of an Indian tribe, have any pecuniary interest in any business or organization that holds a gaming license under this Act or that does business with any person or organization licensed under this Act;

''(D) have been convicted of a felony or gaming offense; or

''(E) have any pecuniary interest in, or management responsibility for, any gaming-related contract or any other contract approved pursuant to this Act.

''(4) POLITICAL AFFILIATION.—Not more than 2 members of the Commission shall be members of the same political party. In making appointments to the Commission, the President shall appoint members of different political parties, to the extent practicable.

''(5) ADDITIONAL QUALIFICATIONS.—

''(A) IN GENERAL.—The Commission shall be composed of the most qualified individuals available. In making appointments to the Commission, the President shall give special reference to the training and experience of individuals in the fields of corporate finance, accounting, auditing, and investigation or law enforcement.

''(B) TRIBAL GOVERNMENT EXPERIENCE.—Not less than 2 members of the Commission shall be individuals with extensive experience or expertise in tribal government.

''(6) BACKGROUND INVESTIGATIONS.—The Attorney General shall conduct a background investigation concerning any individual under consideration for appointment to the Commission, with particular regard to the financial stability, integrity, responsibility, and reputation for good character, honesty, and integrity of the nominee.

''(c) CHAIRPERSON.—The President shall select a Chairperson from among the members appointed to the Commission.

''(d) VICE CHAIRPERSON.—The Commission shall select, by majority vote, 1 of the members of the Commission to serve as Vice Chairperson. The Vice Chairperson shall—

''(1) serve as Chairperson of the Commission in the absence of the Chairperson; and

''(2) exercise such other powers as may be delegated by the Chairperson.

''(e) TERMS OF OFFICE.—

''(1) IN GENERAL.—Each member of the Commission shall hold office for a term of 5 years.

''(2) INITIAL APPOINTMENTS.—Initial appointments to the Commission shall be made for the following terms:

''(A) The Chairperson shall be appointed for a term of 5 years.

''(B) One member shall be appointed for a term of 4 years.

''(C) One member shall be appointed for a term of 3 years.

''(3) LIMITATION.—No member shall serve for more than 2 terms of 5 years each.

''(f) VACANCIES.—

''(1) IN GENERAL.—Each individual appointed by the President to serve as Chairperson and each member of the Commission shall, unless removed for cause under paragraph (2), serve in the capacity for which such individual is appointed until the expiration of the term of such individual or until a successor is duly appointed and qualified.

''(2) REMOVAL FROM OFFICE.—The Chairperson or any member of the Commission may only be removed from office before the expiration of the term of office by the President for neglect of duty, malfeasance in office, or for other good cause shown.

''(3) TERM TO FILL VACANCIES.—The term of any member appointed to fill a vacancy on the Commission shall be for the unexpired term of the member.

''(g) QUORUM.—Two members of the Commission shall constitute a quorum.

''(h) MEETINGS.—

''(1) IN GENERAL.—The Commission shall meet at the call of the Chairperson or a majority of the members of the Commission.

''(2) MAJORITY OF MEMBERS DETERMINE ACTION.—A majority of the members of the Commission shall determine any action of the Commission.

''(i) COMPENSATION.—

''(1) CHAIRPERSON.—The Chairperson shall be paid at a rate equal to that of level IV of the Executive Schedule under section 5316 of title 5, United States Code.

''(2) OTHER MEMBERS.—Each member of the Commission (other than the Chairperson) shall be paid at a rate equal to that of level V of the Executive Schedule under section 5316 of title 5, United States Code.

''(3) TRAVEL.—All members of the Commission shall be reimbursed in accordance with title 5, United States Code, for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

''(j) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

''SEC. 6. POWERS OF THE CHAIRPERSON.

''(a) CHIEF EXECUTIVE OFFICER.—The Chairperson shall serve as the chief executive officer of the Commission.

''(b) ADMINISTRATION OF THE COMMISSION.—

''(1) IN GENERAL.—Subject to subsection (c), the Chairperson—

''(A) shall employ and supervise such personnel as the Chairperson considers to be necessary to carry out the functions of the Commission, and assign work among such personnel;

''(B) shall appoint a General Counsel to the Commission, who shall be paid at the annual rate of basic pay payable for ES–6 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code;

''(C) shall appoint and supervise other staff of the Commission without regard to the provisions of title 5, United States Code, governing appointments in the competitive service;

''(D) may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for ES–6 of the Senior Executive Service Schedule;

''(E) may request the head of any Federal agency to detail any personnel of such agency to the Commission to assist the Commission in carrying out the duties of the Commission under this Act, unless otherwise prohibited by law;

''(F) shall use and expend Federal funds and funds collected pursuant to section 17; and

''(G) may contract for the services of such other professional, technical, and operational personnel and consultants as may be necessary for the performance of the Commission's responsibilities under this Act.

''(2) COMPENSATION OF STAFF.—The staff referred to in paragraph (1)(C) shall be paid without regard to the provisions of chapter 51 and subchapters III and VIII of chapter 53 of title 5, United States Code, relating to classification and General Schedule and Senior Executive Service Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for ES–5 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code.

''(c) APPLICABLE POLICIES.—In carrying out any of the functions under this section, the Chairperson shall be governed by the general policies of the Commission and by such regulatory decisions, findings, and determinations as the Commission may by law be authorized to make.

''SEC. 7. POWERS AND AUTHORITY OF THE COMMISSION.

''(a) GENERAL POWERS.—

''(1) IN GENERAL.—The Commission shall have the power to—

''(A) approve the annual budget of the Commission;

''(B) promulgate regulations to carry out this Act;

''(C) establish a rate of fees and assessments, as provided in section 17;

''(D) conduct investigations, including background investigations;

''(E) issue a temporary order closing the operation of gaming activities;

''(F) after a hearing, make permanent a temporary order closing the operation of gaming activities, as provided in section 15;

''(G) grant, deny, limit, condition, restrict, revoke, or suspend any license issued under any licensing authority conferred upon the Commission pursuant to this Act or fine any person licensed pursuant to this Act for violation of any of the conditions of licensure under this Act;

''(H) inspect and examine all premises in which class II or class III gaming is conducted on Indian lands;

''(I) demand access to and inspect, examine, photocopy, and audit all papers, books, and records of class II and class III gaming activities conducted on Indian lands and any other matters necessary to carry out the duties of the Commission under this Act;

''(J) use the United States mails in the same manner and under the same conditions as any department or agency of the United States;

''(K) procure supplies, services, and property by contract in accordance with applicable Federal laws;

''(L) enter into contracts with Federal, State, tribal, and private entities for activities necessary to the discharge of the duties of the Commission;

''(M) serve or cause to be served, process or notices of the Commission in a manner provided for by the Commission or in a manner provided for the service of process and notice in civil actions in accordance with the applicable rules of a tribal, State, or Federal court;

''(N) propound written interrogatories and appoint hearing examiners, to whom may be delegated the power and authority to administer oaths, issue subpoenas, propound written interrogatories, and require testimony under oath;

''(O) conduct all administrative hearings pertaining to civil violations of this Act (including any civil violation of a regulation promulgated under this Act);

''(P) collect all fees and assessments authorized by this Act and the regulations promulgated pursuant to this Act;

''(Q) assess penalties for violations of the provisions of this Act and the regulations promulgated pursuant to this Act;

''(R) provide training and technical assistance to Indian tribes with respect to all aspects of the conduct and regulation of gaming activities;

''(S) monitor and, as specifically authorized by this Act, regulate class II and class III gaming;

''(T) establish precertification criteria that apply to management contractors and other persons having material control over a gaming operation;

''(U) approve all management and gaming-related contracts; and

''(V) in addition to the authorities otherwise specified in this Act, delegate, by published order or rule, any of the functions of the Commission (including functions with respect to hearing, determining, ordering, certifying, reporting, or otherwise acting on the part of the Commission concerning any work, business, or matter) to a division of the Commission, an individual member of the Commission, an administrative law judge, or an employee of the Commission.

''(2) STATUTORY CONSTRUCTION.—Nothing in this section may be construed to authorize the delegation of the function of rulemaking, as described in subchapter II of chapter 5 of title 5, United States Code, with respect to general rules (as distinguished from rules of particular applicability), or the promulgation of any other rule.

''(b) RIGHT TO REVIEW DELEGATED FUNCTIONS.—

''(1) IN GENERAL.—With respect to the delegation of any of the functions of the Commission, the Commission shall retain a discretionary right to review the action of any division of the Commission, individual member of the Commission, administrative law judge, or employee of the Commission, upon the initiative of the Commission.

''(2) VOTE NEEDED FOR REVIEW.—The vote of 1 member of the Commission shall be sufficient to bring an action referred to in paragraph (1) before the Commission for review, and the Commission shall ratify, revise, or reject the action under review not later than the last day of the applicable period specified in regulations promulgated by the Commission.

''(3) FAILURE TO CONDUCT REVIEW.—If the Commission declines to exercise the right to a review described in paragraph (1) or fails to exercise that right within the applicable period specified in regulations promulgated by the Commission, the action of any such division of the Commission, individual member of the Commission, administrative law judge, or employee, shall, for all purposes, including any appeal or review of such action, be deemed an action of the Commission.

''(c) MINIMUM REQUIREMENTS.—Pursuant to the procedures described in section 9(d), after receiving recommendations from the Advisory Committee, the Commission shall establish minimum Federal standards—

''(1) for background investigations, licensing of persons, and licensing of gaming operations associated with the conduct or regulation of class II and class III gaming on Indian lands by tribal governments; and

''(2) for the operation of class II and class III gaming activities on Indian lands, including—

''(A) surveillance and security personnel and systems capable of monitoring all gaming activities, including the conduct of games, cashiers' cages, change booths, count rooms, movements of cash and chips, entrances and exits to gaming facilities, and other critical areas of any gaming facility;

''(B) procedures for the protection of the integrity of the rules for the play of games and controls related to such rules;

''(C) credit and debit collection controls;

''(D) controls over gambling devices and equipment; and

''(E) accounting and auditing.

''(d) COMMISSION ACCESS TO INFORMATION.—

''(1) IN GENERAL.—The Commission may secure from any department or agency of the United States information necessary to enable the Commission to carry out this Act. Unless otherwise prohibited by law, upon request of the Chairperson, the head of such department or agency shall furnish such information to the Commission.

''(2) INFORMATION TRANSFER.—The Commission may secure from any law enforcement agency or gaming regulatory agency of any State, Indian tribe, or foreign nation information necessary to enable the Commission to carry out this Act. Unless otherwise prohibited by law, upon request of the Chairperson, the head of any State or tribal law

enforcement agency shall furnish such information to the Commission.

''(3) PRIVILEGED INFORMATION.—Notwithstanding sections 552 and 552a of title 5, United States Code, the Commission shall protect from disclosure information provided by Federal, State, tribal, or international law enforcement or gaming regulatory agencies.

''(4) LAW ENFORCEMENT AGENCY.—For purposes of this subsection, the Commission shall be considered to be a law enforcement agency.

''(e) INVESTIGATIONS AND ACTIONS.—

''(1) IN GENERAL.—

''(A) POSSIBLE VIOLATIONS.—The Commission may, at the discretion of the Commission, and as specifically authorized by this Act, conduct such investigations as the Commission considers necessary to determine whether any person has violated, is violating, or is conspiring to violate any provision of this Act (including any rule or regulation promulgated under this Act). The Commission may require or permit any person to file with the Commission a statement in writing, under oath, or otherwise as the Commission may determine, concerning all relevant facts and circumstances regarding the matter under investigation by the Commission pursuant to this subsection.

''(B) ADMINISTRATIVE INVESTIGATIONS.—The Commission may, at the discretion of the Commission, and as specifically authorized by this Act, investigate such facts, conditions, practices, or matters as the Commission considers necessary or proper to aid in—

''(i) the enforcement of any provision of this Act;

''(ii) prescribing rules and regulations under this Act; or

''(iii) securing information to serve as a basis for recommending further legislation concerning the matters to which this Act relates.

''(2) ADMINISTRATIVE AUTHORITIES.—

''(A) IN GENERAL.—For the purpose of any investigation or any other proceeding conducted under this Act, any member of the Commission or any officer designated by the Commission is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records that the Commission considers relevant or material to the inquiry. The attendance of such witnesses and the production of any such records may be required from any place in the United States at any designated place of hearing.

''(B) REQUIRING APPEARANCES OR TESTIMONY.—In case of contumacy by, or refusal to obey any subpoena issued to, any person, the Commission may invoke the jurisdiction of any court of the United States within the jurisdiction of which an investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records.

''(C) COURT ORDERS.—Any court described in subparagraph (B) may issue an order requiring such person to appear before the Commission or member of the Commission or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question, and any failure to obey such order of the court may be punished by such court as a contempt of such court.

''(3) ENFORCEMENT.—

''(A) IN GENERAL.—If the Commission determines that any person is engaged, has engaged, or is conspiring to engage, in any act or practice constituting a violation of any provision of this Act (including any rule or regulation promulgated under this Act), the Commission may—

''(i) bring an action in the appropriate district court of the United States or the United States District Court for the District of Columbia to enjoin such act or practice, and upon a proper showing, the court shall grant, without bond, a permanent or temporary injunction or restraining order; or

''(ii) transmit such evidence as may be available concerning such act or practice as may constitute a violation of any Federal criminal law to the Attorney General, who may institute the necessary criminal or civil proceedings.

''(B) STATUTORY CONSTRUCTION.—

''(i) IN GENERAL.—The authority of the Commission to conduct investigations and take actions under subparagraph (A) may not be construed to affect in any way the authority of any other agency or department of the United States to carry out statutory responsibilities of such agency or department.

''(ii) EFFECT OF TRANSMITTAL BY THE COMMISSION.—The transmittal by the Commission of evidence pursuant to subparagraph (A)(ii) may not be construed to constitute a condition precedent with respect to any action taken by any department or agency referred to in clause (i).

''(4) WRITS, INJUNCTIONS, AND ORDERS.—Upon application of the Commission, each district court of the United States shall have jurisdiction to issue writs of mandamus, injunctions, and orders commanding any person to comply with the provisions of this Act (including any rule or regulation promulgated under this Act).

''SEC. 8. REGULATORY FRAMEWORK.

''(a) CLASS II GAMING.—For class II gaming, Indian tribes shall retain the exclusive right of those tribes to, if the exercise of that right is made in a manner that meets or exceeds minimum Federal standards established by the Commission pursuant to section 7(c)—

''(1) monitor and regulate such gaming; and

''(2) conduct background investigations and issue licenses to persons who are required to obtain a license under section 10(a).

''(b) CLASS III GAMING CONDUCTED UNDER A COMPACT.—For class III gaming conducted under the authority of a compact entered into pursuant to section 12, an Indian tribe or a State, or both, as provided in a compact or by tribal ordinance or resolution, shall, in a manner that meets or exceeds minimum Federal standards established by the Commission pursuant to section 7(c)—

''(1) monitor and regulate gaming;

''(2) conduct background investigations and issue licenses to persons who are required to obtain a license pursuant to section 10(a); and

''(3) establish and regulate internal control systems.

''(c) VIOLATIONS OF MINIMUM FEDERAL STANDARDS.—

''(1) CLASS II GAMING.—

''(A) IN GENERAL.—In any case in which an Indian tribe that regulates or conducts class II gaming on Indian lands substantially fails to meet or enforce minimum Federal standards for that gaming, after providing the Indian tribe notice and reasonable opportunity to cure violations and to be heard, and after the exhaustion of other authorized remedies and sanctions, the Commission shall have the authority to conduct background investigations, issue licenses, and establish and regulate internal control systems relating to class II gaming conducted by the Indian tribe.

''(B) EXERCISE OF EXCLUSIVE AUTHORITY.—The Commission may excercise exclusive authority in carrying out the activities specified in subparagraph (A) until such time as the regulatory and internal control systems of the Indian tribe meet or exceed the minimum Federal standards concerning regulatory, licensing, or internal control requirements established by the Commission for that gaming.

''(2) CLASS III GAMING.—In any case in which an Indian tribe or a State (or both) that regulates class III gaming on Indian lands fails to meet or enforce minimum Federal standards for class III gaming, after providing notice and reasonable opportunity to cure violations and be heard, and after the exhaustion of other authorized remedies and sanctions, the Commission shall have the authority to conduct background investigations, issue licenses, and establish and regulate internal control systems relating to class III gaming conducted by the Indian tribe. That authority of the Commission may be exclusive until such time as the regulatory or internal control systems of the Indian tribe or the State (or both) meet or exceed the minimum Federal regulatory, licensing, or internal control requirements established by the Commission for that gaming.

''SEC. 9. ADVISORY COMMITTEE ON MINIMUM REGULATORY REQUIREMENTS AND LICENSING STANDARDS.

''(a) ESTABLISHMENT.—The President shall establish an advisory committee to be known as the 'Advisory Committee on Minimum Regulatory Requirements and Licensing Standards'.

''(b) MEMBERS.—

''(1) IN GENERAL.—The Advisory Committee shall be composed of 8 members who shall be appointed by the President not later than 120 days after the date of enactment of the Indian Gaming Regulatory Act Amendments Act of 1997, of which—

''(A) 3 members, selected from a list of recommendations submitted to the President by the Chairperson and Vice Chairperson of the Committee on Indian Affairs of the Senate and the Chairperson and ranking minority member of the Subcommittee on Native American and Insular Affairs of the Committee on Resources of the House of Representatives, shall be members of, and represent, Indian tribal governments involved in gaming covered under this Act;

''(B) 3 members, selected from a list of recommendations submitted to the President by the Majority Leader and the Minority Leader of the Senate and the Speaker and the Minority Leader of the House of Representatives, shall represent State governments involved in gaming covered under this Act, and shall have experience as State gaming regulators; and

''(C) 2 members shall each be an employee of the Department of Justice.

''(2) VACANCIES.—Any vacancy on the Advisory Committee shall not affect its powers, but shall be filled in the same manner as the original appointment.

''(c) RECOMMENDATIONS FOR MINIMUM FEDERAL STANDARDS.—

''(1) IN GENERAL.—Not later than 180 days after the date on which all initial members of the Advisory Committee have been appointed under subsection (b), the Advisory Committee shall develop and submit to the entities referred to in paragraph (2) recommendations for minimum Federal standards relating to background investigations, internal control systems, and licensing standards (as described in section 7(c)).

''(2) RECIPIENTS OF RECOMMENDATIONS.—The Advisory Committee shall submit the recommendations described in paragraph (1) to the Committee on Indian Affairs of the Senate, the Subcommittee on Native American and Insular Affairs of the Committee on Resources of the House of Representatives,

the Commission, and to each federally recognized Indian tribe.

''(3) FACTORS FOR CONSIDERATION.—The minimum Federal standards recommended or established pursuant to this section may be developed taking into account for industry standards existing at the time of the development of the standards. The Advisory Committee, and the Commission in promulgating standards pursuant to subsection (d), shall, in addition to considering any other factor that the Commission considers to be appropriate, consider—

''(A) the unique nature of tribal gaming as compared to non-Indian commercial, governmental, and charitable gaming;

''(B) the broad variations in the scope and size of tribal gaming activity;

''(C) the inherent sovereign right of Indian tribes to regulate their own affairs; and

''(D) the findings and purposes set forth in sections 2 and 3.

''(d) REGULATIONS.—Upon receipt of the recommendations of the Advisory Committee, the Commission shall hold public hearings on the recommendations. After the conclusion of the hearings, the Commission shall promulgate regulations establishing minimum Federal regulatory requirements and licensing standards.

''(e) TRAVEL.—Each member of the Advisory Committee who is appointed under subparagraph (A) or (B) of subsection (b)(1) and who is not an officer or employee of the Federal Government or a government of a State shall be reimbursed for travel and per diem in lieu of subsistence expenses during the performance of duties of the Advisory Committee while away from the home or the regular place of business of that member, in accordance with subchapter I of chapter 57 of title 5, United States Code.

''(f) TERMINATION.—The Advisory Committee shall cease to exist on the date that is 10 days after the date on which the Advisory Committee submits the recommendations under subsection (c).

''(g) EXEMPTION FROM FEDERAL ADVISORY COMMITTEE ACT.—All activities of the Advisory Committee shall be exempt from the Federal Advisory Committee Act (5 U.S.C. App.).

''SEC. 10. LICENSING.

''(a) IN GENERAL.—A license issued under this Act shall be required of—

''(1) a gaming operation;

''(2) a key employee of a gaming operation;

''(3) a management contractor or gaming-related contractor;

''(4) a gaming service industry; or

''(5) a person who has material control, either directly or indirectly, over a licensed gaming operation.

''(b) CERTAIN LICENSES FOR MANAGEMENT CONTRACTORS AND GAMING OPERATIONS.—Notwithstanding any other provision of law relating to licenses issued by an Indian tribe or a State (or both) pursuant to this Act, the Commission may require licenses of—

''(1) management contractors; and

''(2) gaming operations.

''(c) GAMING OPERATION LICENSE.—

''(1) IN GENERAL.—No gaming operation shall operate unless all required licenses and approvals for the gaming operation have been obtained in accordance with this Act.

''(2) WRITTEN AGREEMENTS.—

''(A) FILING.—Prior to the operation of any gaming facility or activity, each management contract for the gaming operation shall be in writing and filed with the Commission pursuant to section 13.

''(B) EXPRESS APPROVAL REQUIRED.—No management contract referred to in subparagraph (A) shall be effective unless the Commission expressly approves the management contract.

''(C) REQUIREMENT OF ADDITIONAL PROVISIONS.—The Commission may require that a management contract referred to in subparagraph (A) include any provisions that are reasonably necessary to meet the requirements of this Act.

''(D) INELIGIBILITY OR EXEMPTION.—The Commission may, with respect to an applicant who does not have the ability to exercise any significant control over a licensed gaming operation—

''(i) determine that applicant to be ineligible to hold a license; or

''(ii) exempt that applicant from being required to hold a license.

''(d) DENIAL OF LICENSE.—The Commission, in the exercise of the specific licensure power conferred upon the Commission by this Act, shall deny a license to any applicant who is disqualified on the basis of a failure to meet any of the minimum Federal standards promulgated by the Commission pursuant to section 7(c).

''(e) APPLICATION FOR LICENSE.—

''(1) IN GENERAL.—Upon the filing of the materials specified in paragraph (2), the Commission shall conduct an investigation into the qualifications of an applicant. The Commission may conduct a nonpublic hearing on such investigation concerning the qualifications of the applicant in accordance with regulations promulgated by the Commission.

''(2) FILING OF MATERIALS.—The Commission shall carry out paragraph (1) upon the filing of—

''(A) an application for a license that the Commission is specifically authorized to issue pursuant to this Act; and

''(B) such supplemental information as the Commission may require.

''(3) TIMING OF HEARINGS AND INVESTIGATIONS AND FINAL ACTION.—

''(A) DEADLINE FOR HEARINGS AND INVESTIGATIONS.—Not later than 90 days after receiving the materials described in paragraph (2), the Commission shall complete the investigation described in paragraph (1) and any hearings associated with the investigation conducted pursuant to that paragraph.

''(B) DEADLINE FOR FINAL ACTION.—Not later than 10 days after the date specified in subparagraph (A), the Commission shall take final action to grant or deny a license to the applicant.

''(4) DENIALS.—

''(A) IN GENERAL.—The Commission may disapprove an application submitted to the Commission under this section and deny a license to the applicant.

''(B) ORDER OF DENIAL.—If the Commission denies a license to an applicant under subparagraph (A), the Commission shall prepare an order denying such license. In addition, if an applicant requests a statement of the reasons for the denial, the Commission shall prepare such statement and provide the statement to the applicant. The statement shall include specific findings of fact.

''(5) ISSUANCE OF LICENSES.—If the Commission is satisfied that an applicant is qualified to receive a license, the Commission shall issue a license to the applicant upon tender of—

''(A) all license fees and assessments as required by this Act (including any rule or regulation promulgated under this Act); and

''(B) such bonds as the Commission may require for the faithful performance of all requirements imposed by this Act (including any rule or regulation promulgated under this Act).

''(6) BONDS.—

''(A) AMOUNTS.—The Commission shall, by rules of uniform application, fix the amount of each bond that the Commission requires under this section in such amount as the Commission considers appropriate.

''(B) USE OF BONDS.—The bonds furnished to the Commission under this paragraph may be applied by the Commission to the payment of any unpaid liability of the licensee under this Act.

''(C) TERMS.—Each bond required in accordance with this section shall be furnished—

''(i) in cash or negotiable securities;

''(ii) by a surety bond guaranteed by a satisfactory guarantor; or

''(iii) by an irrevocable letter of credit issued by a banking institution acceptable to the Commission.

''(D) TREATMENT OF PRINCIPAL AND INCOME.—If a bond is furnished under this paragraph in cash or negotiable securities, the principal shall be placed without restriction at the disposal of the Commission, but any income shall inure to the benefit of the licensee.

''(f) RENEWAL OF LICENSE.—

''(1) IN GENERAL.—

''(A) RENEWALS.—Subject to the power of the Commission to deny, revoke, or suspend licenses, any license issued under this section and in force shall be renewed by the Commission for the next succeeding license period upon proper application for renewal and payment of license fees and assessments, as required by applicable law (including any rule or regulation promulgated under this Act).

''(B) RENEWAL TERM.—Subject to subparagraph (C), the term of a renewal period for a license issued under this section shall be for a period of not more than—

''(i) 2 years, for each of the first 2 renewal periods succeeding the initial issuance of a license pursuant to subsection (e); and

''(ii) 3 years, for each succeeding renewal period.

''(C) REOPENING HEARINGS.—The Commission may reopen licensing hearings at any time after the Commission has issued or renewed a license.

''(2) TRANSITION.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, the Commission shall, for the purpose of facilitating the administration of this Act, renew a license for an activity covered under subsection (a) that is held by a person on the date of enactment of the Indian Gaming Regulatory Act Amendments Act of 1997 for a renewal period of 18 months.

''(B) ACTION BEFORE EXPIRATION.—The Commission shall act upon a timely filed license renewal application prior to the date of expiration of the then current license.

''(3) FILING REQUIREMENT.—Each application for renewal shall be filed with the Commission not later than 90 days prior to the expiration of the then current license, and shall be accompanied by full payment of all license fees and assessments that are required by law to be paid to the Commission.

''(4) RENEWAL CERTIFICATE.—Upon renewal of a license, the Commission shall issue an appropriate renewal certificate, validating device, or sticker, which shall be attached to the license.

''(g) HEARINGS.—

''(1) IN GENERAL.—The Commission shall establish procedures for the conduct of hearings associated with licensing, including procedures for issuing, denying, limiting, conditioning, restricting, revoking, or suspending any such license.

''(2) ACTION BY COMMISSION.—Following a hearing conducted for any of the purposes authorized in this section, the Commission shall—

''(A) render a decision of the Commission;

''(B) issue an order; and

''(C) serve the decision referred to in subparagraph (A) and order referred to in subparagraph (B) upon the affected parties.

''(3) REHEARING.—

''(A) IN GENERAL.—The Commission may, upon a motion made not later than 10 days after the service of a decision and order, order a rehearing before the Commission on such terms and conditions as the Commission considers just and proper if the Commission finds cause to believe that the decision and order should be reconsidered in view of the legal, policy, or factual matters that are—

''(i) advanced by the party that makes the motion; or

''(ii) raised by the Commission on a motion made by the Commission.

''(B) ACTION AFTER REHEARING.—Following a rehearing conducted by the Commission, the Commission shall—

''(i) render a decision of the Commission;

''(ii) issue an order; and

''(iii) serve such decision and order upon the affected parties.

''(C) FINAL AGENCY ACTION.—A decision and order made by the Commission under paragraph (2) (if no motion for a rehearing is made by the date specified in subparagraph (A)), or a decision and order made by the Commission upon rehearing shall constitute final agency action for purposes of judicial review.

''(4) JURISDICTION.—The United States Court of Appeals for the District of Columbia Circuit shall have jurisdiction to review the licensing decisions and orders of the Commission.

''(h) LICENSE REGISTRY.—The Commission shall—

''(1) maintain a registry of all licenses that are granted or denied pursuant to this Act; and

''(2) make the information contained in the registry available to Indian tribes to assist the licensure and regulatory activities of Indian tribes.

''SEC. 11. REQUIREMENTS FOR THE CONDUCT OF CLASS I AND CLASS II GAMING ON INDIAN LANDS.

''(a) CLASS I GAMING.—Class I gaming on Indian lands shall be within the exclusive jurisdiction of the Indian tribes and shall not be subject to the provisions of this Act.

''(b) CLASS II GAMING.—

''(1) IN GENERAL.—Any class II gaming on Indian lands shall be within the jurisdiction of the Indian tribes, but shall be subject to the provisions of this Act.

''(2) LEGAL ACTIVITIES.—An Indian tribe may engage in, and license and regulate, class II gaming on Indian lands within the jurisdiction of such tribe, if—

''(A) that Indian gaming is located within a State that permits that gaming for any purpose by any person; and

''(B) the class II gaming operation meets or exceeds the requirements of sections 7(c) and 10.

''(3) REQUIREMENTS FOR CLASS II GAMING OPERATIONS.—

''(A) IN GENERAL.—The Commission shall ensure that, with regard to any class II gaming operation on Indian lands—

''(i) a separate license is issued by the Indian tribe for each place, facility, or location on Indian lands at which class II gaming is conducted;

''(ii) the Indian tribe has or will have the sole proprietary interest and responsibility for the conduct of any class II gaming activity, unless the conditions of clause (ix) apply;

''(iii) the net revenues from any class II gaming activity are used only—

''(I) to fund tribal government operations or programs;

''(II) to provide for the general welfare of the Indian tribe and the members of the Indian tribe;

''(III) to promote tribal economic development;

''(IV) to donate to charitable organizations;

''(V) to assist in funding operations of local government agencies;

''(VI) to comply with the provisions of section 17; or

''(VIII) to make per capita payments to members of the Indian tribe pursuant to clause (viii);

''(iv) the Indian tribe provides to the Commission annual outside audit reports of the class II gaming operation of the Indian tribe, which may be encompassed within existing independent tribal audit systems;

''(v) each contract for supplies, services, or concessions for a contract amount equal to more than $50,000 per year, other than a contract for professional legal or accounting services, relating to such gaming is subject to such independent audit reports and any audit conducted by the Commission;

''(vi) the construction and maintenance of a class II gaming facility and the operation of class II gaming are conducted in a manner that adequately protects the environment and public health and safety;

''(vii) there is instituted an adequate system that—

''(I) ensures that—

''(aa) background investigations are conducted on primary management officials, key employees, and persons having material control, either directly or indirectly, in a licensed class II gaming operation, and gaming-related contractors associated with a licensed class II gaming operation; and

''(bb) oversight of the officials referred to in item (aa) and the management by those officials is conducted on an ongoing basis; and

''(II) includes—

''(aa) tribal licenses for persons involved in class II gaming operations, issued in accordance with sections 7(c) and 10;

''(bb) a standard whereby any person whose prior activities, criminal record, if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming shall not be eligible for employment or licensure; and

''(cc) notification by the Indian tribe to the Commission of the results of a background investigation conducted under item (bb) before the issuance of any such license;

''(viii) net revenues from any class II gaming activities conducted or licensed by any Indian tribal government are used to make per capita payments to members of the Indian tribe only if—

''(I) the Indian tribe has prepared a plan to allocate revenues to uses authorized by clause (iii);

''(II) the Secretary determines that the plan is adequate, particularly with respect to uses described in subclause (I) or (III) of clause (iii);

''(III) the interests of minors and other legally incompetent persons who are entitled to receive any of the per capita payments are protected and preserved;

''(IV) the per capita payments to minors and other legally incompetent persons are disbursed to the parents or legal guardians of the minors or legally incompetent persons referred to in subclause (III) in such amounts as may be necessary for the health, education, or welfare of each such minor or legally incompetent person under a plan approved by the Secretary and the governing body of the Indian tribe; and

''(V) the per capita payments are subject to Federal income taxation and Indian tribes withhold such taxes when such payments are made;

''(ix) a separate license is issued by the Indian tribe for any class II gaming operation owned by any person or entity other than the Indian tribe and conducted on Indian lands, that includes—

''(I) requirements set forth in clauses (v) through (vii) (other than the requirements of clause (vii)(II)(cc)), and (x); and

''(II) requirements that are at least as restrictive as those established by State law governing similar gaming within the jurisdiction of the State within which such Indian lands are located; and

''(x) no person or entity, other than the Indian tribe, is eligible to receive a tribal license for a class II gaming operation conducted on Indian lands within the jurisdiction of the Indian tribe if that person or entity would not be eligible to receive a State license to conduct the same activity within the jurisdiction of the State.

''(B) TRANSITION.—

''(i) IN GENERAL.—Clauses (ii), (iii), and (ix) of subparagraph (A) shall not bar the continued operation of a class II gaming operation described in clause (ix) of that subparagraph that was operating on September 1, 1986, if—

''(I) that gaming operation is licensed and regulated by an Indian tribe;

''(II) income to the Indian tribe from such gaming is used only for the purposes described in subparagraph (A)(iii);

''(III) not less than 60 percent of the net revenues from such gaming operation is income to the licensing Indian tribe; and

''(IV) the owner of that gaming operation pays an appropriate assessment to the Commission pursuant to section 17 for the regulation of that gaming.

''(ii) LIMITATIONS ON EXEMPTION.—The exemption from application provided under clause (i) may not be transferred to any person or entity and shall remain in effect only during such period as the gaming operation remains within the same nature and scope as that gaming operation was actually operated on October 17, 1988.

''(C) LIST.—The Commission shall—

''(i) maintain a list of each gaming operation that is subject to subparagraph (B); and

''(ii) publish such list in the Federal Register.

''(c) PETITION FOR CERTIFICATE OF SELF-REGULATION.—

''(1) IN GENERAL.—Any Indian tribe that operates, directly or with a management contract, a class II gaming activity may petition the Commission for a certificate of self-regulation if that Indian tribe—

''(A) has continuously conducted such activity for a period of not less than 3 years, including a period of not less than 1 year that begins after the date of enactment of the Indian Gaming Regulatory Act Amendments Act of 1997; and

''(B) has otherwise complied with the provisions of this Act.

''(2) ISSUANCE OF CERTIFICATE OF SELF-REGULATION.—The Commission shall issue a certificate of self-regulation under this subsection if the Commission determines, on the basis of available information, and after a hearing if requested by the Indian tribe, that the Indian tribe has—

''(A) conducted its gaming activity in a manner which has—

''(i) resulted in an effective and honest accounting of all revenues;

''(ii) resulted in a reputation for safe, fair, and honest operation of the activity; and

''(iii) been generally free of evidence of criminal or dishonest activity;

''(B) adopted and implemented adequate systems for—

''(i) accounting for all revenues from the gaming activity;

''(ii) investigation, licensing, and monitoring of all employees of the gaming activity; and

''(iii) investigation, enforcement, and prosecution of violations of its gaming ordinance and regulations;

''(C) conducted the operation on a fiscally and economically sound basis; and

''(D) paid all fees and assessments that the tribe is required to pay to the Commission under this Act.

''(3) EFFECT OF CERTIFICATE OF SELF-REGULATION.—During the period in which a certificate of self-regulation issued under this subsection is in effect with respect to a gaming activity conducted by an Indian tribe—

''(A) the Indian tribe shall—

''(i) submit an annual independent audit report required under subsection (b)(3)(A)(iv); and

''(ii) submit to the Commission a complete résumé of each employee hired and licensed by the Indian tribe subsequent to the issuance of a certificate of self-regulation; and

''(B) the Commission may not assess a fee under section 17 on gaming operated by the Indian tribe pursuant to paragraph (1) in excess of ¼ of 1 percent of the net revenue from that activity.

''(4) RESCISSION.—The Commission may, for just cause and after a reasonable opportunity for a hearing, rescind a certificate of self-regulation issued under this subsection by majority vote of the members of the Commission.

''(d) LICENSE REVOCATION.—If, after the issuance of any license by an Indian tribe under this section, the Indian tribe receives reliable information from the Commission indicating that a licensee does not meet any standard established under section 7(c) or 10, or any other applicable regulation promulgated under this Act, the Indian tribe—

''(1) shall immediately suspend that license; and

''(2) after providing notice, holding a hearing, and making findings of fact under procedures established pursuant to applicable tribal law, may revoke that license.

''SEC. 12. CLASS III GAMING ON INDIAN LANDS.

''(a) REQUIREMENTS FOR THE CONDUCT OF CLASS III GAMING ON INDIAN LANDS.—

''(1) IN GENERAL.—Class III gaming activities shall be lawful on Indian lands only if those activities are—

''(A) authorized by—

''(i) a compact that—

''(I) is approved pursuant to tribal law by the governing body of the Indian tribe having jurisdiction over those lands;

''(II) meets the requirements of section 11(b)(3) for the conduct of class II gaming; and

''(III) is approved by the Secretary under paragraph (4); or

''(ii) the Secretary under procedures prescribed by the Secretary under paragraph (3)(B)(vii);

''(B) located in a State that permits that gaming for any purpose by any person; and

''(C) conducted in conformance with—

''(i) a compact that—

''(I) is in effect; and

''(II) is entered into by an Indian tribe and a State and approved by the Secretary under paragraph (4); or

''(ii) procedures prescribed by the Secretary under paragraph (3)(B)(vii).

''(2) COMPACT NEGOTIATIONS.—

''(A) IN GENERAL.—Any Indian tribe having jurisdiction over the Indian lands upon which a class III gaming activity is being conducted, or is to be conducted, shall request the State in which those lands are located to enter into negotiations for the purpose of entering into a compact governing the conduct of gaming activities. Upon receiving such a request, the State shall negotiate with the Indian tribe in good faith to enter into such a compact.

''(B) APPROVAL BY THE SECRETARY.—Any State and any Indian tribe may enter into a compact governing class III gaming activities on the Indian lands of the Indian tribe, but that compact shall take effect only when notice of approval by the Secretary of that compact has been published by the Secretary in the Federal Register.

''(3) ACTIONS.—

''(A) IN GENERAL.—The United States district courts shall have jurisdiction over—

''(i) any cause of action initiated by an Indian tribe arising from the failure of a State to enter into negotiations with the Indian tribe for the purpose of entering into a compact under paragraph (2) or to conduct such negotiations in good faith;

''(ii) any cause of action initiated by a State or Indian tribe to enjoin a class III gaming activity located on Indian lands and conducted in violation of any compact entered into under paragraph (2) that is in effect; and

''(iii) any cause of action initiated by the Secretary to enforce the procedures prescribed under subparagraph (B)(vii).

''(B) PROCEDURES.—

''(i) IN GENERAL.—An Indian tribe may initiate a cause of action described in subparagraph (A)(i) only after the expiration of the 180-day period beginning on the date on which the Indian tribe requests the State to enter into negotiations under paragraph (2)(A).

''(ii) BURDEN OF PROOF.—In any action described in subparagraph (A)(i), upon introduction of evidence by an Indian tribe that—

''(I) a compact has not been entered into under paragraph (2); and

''(II) the State did not respond to the request of the Indian tribe to negotiate such a compact or did not respond to such request in good faith,

the burden of proof shall be upon the State to prove that the State has negotiated with the Indian tribe in good faith to conclude a compact governing the conduct of gaming activities.

''(iii) FAILURE TO NEGOTIATE.—If, in any action described in subparagraph (A)(i), the court finds that the State has failed to negotiate in good faith with the Indian tribe to conclude a compact governing the conduct of gaming activities, the court shall order the State and the Indian tribe to conclude such a compact within a 60-day period beginning on the date of that order. In determining in such an action whether a State has negotiated in good faith, the court—

''(I) may take into account the public interest, public safety, criminality, financial integrity, and adverse economic impacts on existing gaming activities; and

''(II) shall consider any demand by the State for direct taxation of the Indian tribe or of any Indian lands as evidence that the State has not negotiated in good faith.

''(iv) PROCEDURE IN THE EVENT OF FAILURE TO CONCLUDE A COMPACT.—If a State and an Indian tribe fail to conclude a compact governing the conduct of gaming activities on the Indian lands subject to the jurisdiction of such Indian tribe within the 60-day period provided in the order of a court issued under clause (iii), the Indian tribe and the State shall each submit to a mediator appointed by the court a proposed compact that represents the last best offer of the Indian tribe and the State for a compact. The mediator shall select from the 2 proposed compacts the proposed compact that best comports with—

''(I) the terms of this Act;

''(II) any other applicable Federal law; and

''(III) the findings and order of the court.

''(v) SUBMISSION OF COMPACT TO STATE AND INDIAN TRIBE.—The mediator appointed under clause (iv) shall submit to the State and the Indian tribe the proposed compact selected by the mediator under clause (iv).

''(vi) CONSENT OF STATE.—If a State consents to a proposed compact submitted to the State under clause (v) during the 60-day period beginning on the date on which the proposed compact is submitted to the State under clause (v), the proposed compact shall be treated as a compact entered into under paragraph (2).

''(vii) FAILURE OF STATE TO CONSENT.—If the State does not consent during the 60-day period described in clause (vi) to a proposed compact submitted by a mediator under clause (v), the mediator shall notify the Secretary and the Secretary shall prescribe, in consultation with the Indian tribe, procedures—

''(I) that are consistent with the proposed compact selected by the mediator under clause (iv), the provisions of this Act, and the applicable provisions of the laws of the State; and

''(II) under which class III gaming may be conducted on the Indian lands over which the Indian tribe has jurisdiction.

''(4) APPROVAL BY SECRETARY.—

''(A) IN GENERAL.—The Secretary is authorized to approve any compact entered into between an Indian tribe and a State governing gaming on Indian lands of such Indian tribe.

''(B) DISAPPROVAL BY SECRETARY.—The Secretary may disapprove a compact described in subparagraph (A) only if such compact violates—

''(i) any provision of this Act;

''(ii) any other provision of Federal law that does not relate to jurisdiction over gaming on Indian lands; or

''(iii) the trust obligation of the United States to Indians.

''(C) FAILURE OF THE SECRETARY TO TAKE FINAL ACTION.—If the Secretary does not approve or disapprove a compact described in subparagraph (A) before the expiration of the 45-day period beginning on the date on which the compact is submitted to the Secretary for approval, the compact shall be considered to have been approved by the Secretary, but only to the extent the compact is consistent with the provisions of this Act.

''(D) PUBLICATION OF NOTICE.—The Secretary shall publish in the Federal Register notice of any compact that is approved, or considered to have been approved, under this paragraph.

''(E) EFFECT OF PUBLICATION OF COMPACT.—Except for an appeal conducted under subchapter II of chapter 5 of title 5, United States Code, by an Indian tribe or by a State associated with the publication of the compact, the publication of a compact pursuant to subparagraph (D) or subsection (c)(4) that permits a form of class III gaming shall, for purposes of this Act, be conclusive evidence that such class III gaming is an activity subject to negotiations under the laws of the State where the gaming is to be conducted, in any matter under consideration by the Commission or a Federal court.

''(F) EFFECTIVE DATE OF COMPACT.—A compact shall become effective upon the publication of the compact in the Federal Register by the Secretary.

''(G) DUTIES OF COMMISSION.—Consistent with the provisions of sections 7(c), 8, and 10, the Commission shall monitor and, if specifically authorized, regulate and license class III gaming with respect to any compact that is published in the Federal Register.

''(5) PROVISIONS OF COMPACTS.—

''(A) IN GENERAL.—A compact negotiated under this subsection may include provisions relating to—

''(i) the application of the criminal and civil laws (including any rule or regulation) of the Indian tribe or the State that are directly related to, and necessary for, the licensing and regulation of such activity in a manner consistent with sections 7(c), 8, and 10;

''(ii) the allocation of criminal and civil jurisdiction between the State and the Indian tribe necessary for the enforcement of such laws (including any rule or regulation);

''(iii) the assessment by the State of the costs associated with such activities in such amounts as are necessary to defray the costs of regulating such activity;

''(iv) taxation by the Indian tribe of such activity in amounts comparable to amounts assessed by the State for comparable activities;

''(v) remedies for breach of compact provisions;

''(vi) standards for the operation of such activity and maintenance of the gaming facility, including licensing, in a manner consistent with sections 7(c), 8, and 10; and

''(vii) any other subject that is directly related to the operation of gaming activities and the impact of gaming on tribal, State, and local governments.

''(B) STATUTORY CONSTRUCTION WITH RESPECT TO ASSESSMENTS.—Except for any assessments for services agreed to by an Indian tribe in compact negotiations, nothing in this section may be construed as conferring upon a State or any political subdivision thereof the authority to impose any tax, fee, charge, or other assessment upon an Indian tribe, an Indian gaming operation or the value generated by the gaming operation, or any person or entity authorized by an Indian tribe to engage in a class III gaming activity in conformance with this Act.

''(6) STATUTORY CONSTRUCTION WITH RESPECT TO CERTAIN RIGHTS OF INDIAN TRIBES.—Nothing in this subsection impairs the right of an Indian tribe to regulate class III gaming on the Indian lands of the Indian tribe concurrently with a State and the Commission, except to the extent that such regulation is inconsistent with, or less stringent than, this Act or any laws (including any rule or regulation) made applicable by any compact entered into by the Indian tribe under this subsection that is in effect.

''(7) EXEMPTION.—The provisions of sections 2 and 5 of the Act of January 2, 1951 (commonly referred to as the 'Gambling Devices Transportation Act') (64 Stat. 1134, chapter 1194, 15 U.S.C. 1172 and 1175) shall not apply to any class II gaming activity or any gaming activity conducted pursuant to a compact entered into after the date of enactment of this Act or conducted pursuant to procedures prescribed by the Secretary under this Act, but in no event shall this paragraph be construed as invalidating any exemption from section 2 or 5 of the Act of January 2, 1951, for any compact entered into prior to the date of enactment of this Act or any procedures for conducting a gaming activity prescribed by the Secretary prior to such date of enactment.

''(b) JURISDICTION OF UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA.—The United States District Court for the District of Columbia shall have jurisdiction over any action initiated by the Secretary, the Commission, a State, or an Indian tribe to enforce any provision of a compact under subsection (a) that is in effect or to enjoin a class III gaming activity located on Indian lands and conducted in violation of such compact that is in effect and that was entered into under subsection (a).

''(c) REVOCATION OF ORDINANCE.—

''(1) IN GENERAL.—The governing body of an Indian tribe, in its sole discretion, may adopt an ordinance or resolution revoking any prior ordinance or resolution that authorized class III gaming on the Indian lands of the Indian tribe. Such revocation shall render class III gaming illegal on the Indian lands of such Indian tribe.

''(2) PUBLICATION OF REVOCATION.—An Indian tribe shall submit any revocation ordinance or resolution described in paragraph (1) to the Commission. Not later than 90 days after the date on which the Commission receives such ordinance or resolution, the Commission shall publish such ordinance or resolution in the Federal Register. The revocation provided by such ordinance or resolution shall take effect on the date of such publication.

''(3) CONDITIONAL OPERATION.—Notwithstanding any other provision of this subsection—

''(A) any person or entity operating a class III gaming activity pursuant to this subsection on the date on which an ordinance or resolution described in paragraph (1) that revokes authorization for such class III gaming activity is published in the Federal Register may, during the 1-year period beginning on the date on which such revocation, ordinance, or resolution is published under paragraph (2), continue to operate such activity in conformance with an applicable compact approved or issued under subsection (a) that is in effect; and

''(B) any civil action that arises before, and any crime that is committed before, the expiration of such 1-year period shall not be affected by such revocation ordinance, or resolution.

''(d) CERTAIN CLASS III GAMING ACTIVITIES.—

''(1) COMPACTS ENTERED INTO BEFORE THE DATE OF ENACTMENT OF THE INDIAN GAMING REGULATORY ACT AMENDMENTS ACT OF 1997.—

''(A) IN GENERAL.—Subject to subparagraph (B), class III gaming activities that are authorized under a compact approved, or procedures prescribed, by the Secretary under the authority of this Act prior to the date of enactment of the Indian Gaming Regulatory Act Amendments Act of 1997 shall, during such period as the compact is in effect, remain lawful for the purposes of this Act, notwithstanding the Indian Gaming Regulatory Act Amendments Act of 1997 and the amendments made by such Act or any change in State law enacted after the approval or issuance of the compact.

''(B) COMPACT OR PROCEDURES SUBJECT TO MINIMUM REGULATORY STANDARDS.—Subparagraph (A) shall apply to a compact or procedures described in that subparagraph on the condition that any class III gaming activity conducted under the compact or procedures shall be subject to all Federal minimum regulatory standards established under this Act and the regulations promulgated under this Act.

''(2) COMPACT ENTERED INTO AFTER THE DATE OF ENACTMENT OF THE INDIAN GAMING REGULATORY ACT AMENDMENTS ACT OF 1997.—Any compact entered into under subsection (a) after the date specified in paragraph (1) shall remain lawful for the purposes of this Act, notwithstanding any change in State law enacted after the approval or issuance of the compact.

''SEC. 13. REVIEW OF CONTRACTS.

''(a) CONTRACTS INCLUDED.—The Commission shall, in accordance with this section, review and approve or disapprove—

''(1) any management contract for the operation and management of any gaming activity that an Indian tribe may engage in under this Act; and

''(2) unless licensed by an Indian tribe consistent with the minimum Federal standards adopted pursuant to section 7(c), any gaming-related contract.

''(b) MANAGEMENT CONTRACT REQUIREMENTS.—The Commission shall approve any management contract between an Indian tribe and a person licensed by an Indian tribe or the Commission that is entered into pursuant to this Act only if the Commission determines that the contract provides for—

''(1) adequate accounting procedures that are maintained, and verifiable financial reports that are prepared, by or for the governing body of the Indian tribe on a monthly basis;

''(2) access to the daily gaming operations by appropriate officials of the Indian tribe who shall have the right to verify the daily gross revenues and income derived from any gaming activity;

''(3) a minimum guaranteed payment to the Indian tribe that has preference over the retirement of any development and construction costs;

''(4) an agreed upon ceiling for the repayment of any development and construction costs;

''(5) a contract term of not to exceed 5 years, except that, upon the request of an Indian tribe, the Commission may authorize a contract term that exceeds 5 years but does not exceed 7 years if the Commission is satisfied that the capital investment required, and the income projections for, the particular gaming activity require the additional time; and

''(6) grounds and mechanisms for the termination of the contract, but any such termination shall not require the approval of the Commission.

''(c) MANAGEMENT FEE BASED ON PERCENTAGE OF NET REVENUES.—

''(1) PERCENTAGE FEE.—The Commission may approve a management contract that provides for a fee that is based on a percentage of the net revenues of a tribal gaming activity if the Commission determines that such percentage fee is reasonable, taking into consideration surrounding circumstances.

''(2) FEE AMOUNT.—Except as provided in paragraph (3), a fee described in paragraph (1) shall not exceed an amount equal to 30 percent of the net revenues described in such paragraph.

''(3) EXCEPTION.—Upon the request of an Indian tribe, if the Commission is satisfied that the capital investment required, and income projections for, a tribal gaming activity, necessitate a fee in excess of the amount specified in paragraph (2), the Commission may approve a management contract that provides for a fee described in paragraph (1) in an amount in excess of the amount specified in paragraph (2), but not to exceed 40 percent of the net revenues described in paragraph (1).

''(d) GAMING-RELATED CONTRACT REQUIREMENTS.—The Commission shall approve a gaming-related contract covered under subsection (a)(2) that is entered into pursuant to this Act only if the Commission determines that the contract provides for—

''(1) grounds and mechanisms for termination of the contract, but such termination shall not require the approval of the Commission; and

''(2) such other provisions as the Commission may be empowered to impose by this Act.

''(e) TIME PERIOD FOR REVIEW.—

''(1) IN GENERAL.—Except as provided in paragraph (2), not later than 90 days after the date on which a management contract or other gaming-related contract is submitted to the Commission for approval, the Commission shall approve or disapprove such contract on the merits of the contract. The Commission may extend the 90-day period

for an additional period of not more than 45 days if the Commission notifies the Indian tribe in writing of the reason for the extension of the period. The Indian tribe may bring an action in the United States District Court for the District of Columbia to compel action by the Commission if a contract has not been approved or disapproved by the termination date of an applicable period under this subsection.

''(2) EFFECT OF FAILURE OF COMMISSION TO ACT ON CERTAIN GAMING-RELATED CONTRACTS.—Any gaming-related contract for an amount less than or equal to $100,000 that is submitted to the Commission pursuant to paragraph (1) by a person who holds a valid license that is in effect under this Act shall be deemed to be approved, if by the date that is 90 days after the contract is submitted to the Commission, the Commission fails to approve or disapprove the contract.

''(f) CONTRACT MODIFICATIONS AND VOID CONTRACTS.—The Commission, after providing notice and a hearing on the record—

''(1) shall have the authority to require appropriate contract modifications to ensure compliance with the provisions of this Act; and

''(2) may void any contract regulated by the Commission under this Act if the Commission determines that any provision of this Act has been violated by the terms of the contract.

''(g) INTERESTS IN REAL PROPERTY.—No contract regulated by this Act may transfer or, in any other manner, convey any interest in land or other real property, unless specific statutory authority exists, all necessary approvals for such transfer or conveyance have been obtained, and such transfer or conveyance is clearly specified in the contract.

''(h) AUTHORITY OF THE SECRETARY.—The authority of the Secretary under section 2103 of the Revised Statutes (25 U.S.C. 81) shall not extend to any contract or agreement that is regulated pursuant to this Act.

''(i) DISAPPROVAL OF CONTRACTS.—The Commission may not approve a contract if the Commission determines that—

''(1) any person having a direct financial interest in, or management responsibility for, such contract, and, in the case of a corporation, any individual who serves on the board of directors of such corporation, and any of the stockholders who hold (directly or indirectly) 10 percent or more of its issued and outstanding stock—

''(A) is an elected member of the governing body of the Indian tribe which is a party to the contract;

''(B) has been convicted of any felony or gaming offense;

''(C) has knowingly and willfully provided materially important false statements or information to the Commission or the Indian tribe pursuant to this Act or has refused to respond to questions propounded by the Commission; or

''(D) has been determined to be a person whose prior activities, criminal record, if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental thereto;

''(2) the contractor—

''(A) has unduly interfered or influenced for its gain or advantage any decision or process of tribal government relating to the gaming activity; or

''(B) has attempted to interfere or influence a decision pursuant to subparagraph (A);

''(3) the contractor has deliberately or substantially failed to comply with the terms of the contract; or

''(4) a trustee, exercising the skill and diligence that a trustee is commonly held to, would not approve the contract.

''SEC. 14. REVIEW OF EXISTING CONTRACTS; INTERIM AUTHORITY.

''(a) REVIEW OF EXISTING CONTRACTS.—

''(1) IN GENERAL.—At any time after the Commission is sworn in and has promulgated regulations for the implementation of this Act, the Commission shall notify each Indian tribe and management contractor who, prior to the enactment of the Indian Gaming Regulatory Act Amendments Act of 1997, entered into a management contract that was approved by the Secretary, that the Indian tribe is required to submit to the Commission such contract, including all collateral agreements relating to the gaming activity, for review by the Commission not later than 60 days after such notification. Any such contract shall be valid under this Act, unless the contract is disapproved by the Commission under this section.

''(2) REVIEW.—

''(A) IN GENERAL.—Not later than 180 days after the submission of a management contract, including all collateral agreements, to the Commission pursuant to this section, the Commission shall review the contract to determine whether the contract meets the requirements of section 13 and was entered into in accordance with the procedures under such section.

''(B) APPROVAL OF CONTRACT.—The Commission shall approve a management contract submitted for review under subsection (a) if the Commission determines that—

''(i) the management contract meets the requirements of section 13; and

''(ii) the management contractor has obtained all of the licenses that the contractor is required to obtain under this Act.

''(C) NOTIFICATION OF NECESSARY MODIFICATIONS.—If the Commission determines that a contract submitted under this section does not meet the requirements of section 13—

''(i) the Commission shall provide the parties to such contract written notification of the necessary modifications; and

''(ii) the parties referred to in clause (i) shall have 180 days after the date on which such notification is provided to make the modifications.

''(b) INTERIM AUTHORITY OF THE NATIONAL INDIAN GAMING COMMISSION.—

''(1) IN GENERAL.—Notwithstanding any other provision of this Act, the Chairman and the associate members of the National Indian Gaming Commission who are holding office on the day before the date of enactment of the Indian Gaming Regulatory Act Amendments Act of 1997 shall exercise the authorities described in paragraph (2) until such time as all of the initial members of the Federal Indian Gaming Regulatory Commission are sworn into office.

''(2) AUTHORITIES.—Until the date specified in paragraph (1), the Chairman and the associate members of the National Indian Gaming Commission referred to in that paragraph shall exercise those authorities vested in the Federal Indian Gaming Regulatory Commission by this Act (other than the authority specified in section 7(a)(1)(A) and any other authority directly related to the administration of the Federal Indian Gaming Regulatory Commission as an independent establishment, as defined in section 104 of title 5, United States Code).

''(3) REGULATIONS.—Until such time as the Commission promulgates revised regulations after the date of enactment of the Indian Gaming Regulatory Act Amendments Act of 1997, the regulations promulgated under this Act, as in effect on the day before the date of enactment of the Indian Gaming Regulatory Act Amendments Act of 1997, shall apply.

''SEC. 15. CIVIL PENALTIES.

''(a) AMOUNT.—Any person who commits any act or causes to be done any act that violates any provision of this Act or any rule or regulation promulgated under this Act, or who fails to carry out any act or causes the failure to carry out any act that is required by any such provision of law shall be subject to a civil penalty in an amount equal to not more than $50,000 per day for each such violation.

''(b) ASSESSMENT AND COLLECTION.—

''(1) IN GENERAL.—Each civil penalty assessed under this section shall be assessed by the Commission and collected in a civil action brought by the Attorney General on behalf of the United States. Before the Commission refers civil penalty claims to the Attorney General, the Commission may compromise the civil penalty after affording the person charged with a violation referred to in subsection (a), an opportunity to present views and evidence in support of such action by the Commission to establish that the alleged violation did not occur.

''(2) PENALTY AMOUNT.—In determining the amount of a civil penalty assessed under this section, the Commission shall take into account—

''(A) the nature, circumstances, extent, and gravity of the violation committed;

''(B) with respect to the person found to have committed such violation, the degree of culpability, any history of prior violations, ability to pay, the effect on ability to continue to do business; and

''(C) such other matters as justice may require.

''(c) TEMPORARY CLOSURES.—

''(1) IN GENERAL.—The Commission may order the temporary closure of all or part of an Indian gaming operation for a substantial violation of any provision of law referred to in subsection (a).

''(2) HEARING ON ORDER OF TEMPORARY CLOSURE.—

''(A) IN GENERAL.—Not later than 30 days after the issuance of an order of temporary closure, the Indian tribe or the individual owner of a gaming operation shall have the right to request a hearing on the record before the Commission to determine whether such order should be made permanent or dissolved.

''(B) DEADLINES RELATING TO HEARING.—Not later than 30 days after a request for a hearing is made under subparagraph (A), the Commission shall conduct such hearing. Not later than 30 days after the termination of the hearing, the Commission shall render a final decision on the closure.

''SEC. 16. JUDICIAL REVIEW.

''A decision made by the Commission pursuant to section 7, 8, 10, 13, 14, or 15 shall constitute a final agency decision for purposes of appeal to the United States District Court for the District of Columbia pursuant to chapter 7 of title 5, United States Code.

''SEC. 17. COMMISSION FUNDING.

''(a) ANNUAL FEES.—

''(1) IN GENERAL.—The Commission shall establish a schedule of fees to be paid to the Commission annually by gaming operations for each class II and class III gaming activity that is regulated by this Act.

''(2) LIMITATION ON FEE RATES.—

''(A) IN GENERAL.—For each gaming operation regulated under this Act, the rate of the fees imposed under the schedule established under paragraph (1) shall not exceed 2 percent of the net revenues of that gaming operation.

''(B) TOTAL AMOUNT OF FEES.—The total amount of all fees imposed during any fiscal

year under the schedule established under paragraph (1) shall be equal to not more than $25,000,000.

''(3) ANNUAL FEE RATE.—The Commission, by a vote of a majority of the members of the Commission, shall annually adopt the rate of the fees authorized by this section. Those fees shall be payable to the Commission on a monthly basis.

''(4) ADJUSTMENT OF FEES.—The fees imposed upon a gaming operation may be reduced by the Commission to take into account any regulatory functions that are performed by an Indian tribe, or the Indian tribe and a State, pursuant to regulations promulgated by the Commission.

''(5) CONSEQUENCES OF FAILURE TO PAY FEES.—Failure to pay the fees imposed under the schedule established under paragraph (1) shall, subject to regulations promulgated by the Commission, be grounds for revocation of the approval of the Commission of any license required under this Act for the operation of gaming activities.

''(6) SURPLUS FUNDS.—To the extent that revenues derived from fees imposed under the schedule established under paragraph (1) exceed the limitation in paragraph (2)(B) or are not expended or committed at the close of any fiscal year, those surplus funds shall be credited to each gaming activity that is the subject of the fees on a pro rata basis against those fees imposed for the succeeding year.

''(b) REIMBURSEMENT OF COSTS.—The Commission may assess any applicant, except the governing body of an Indian tribe, for any license required pursuant to this Act. That assessment shall be an amount equal to the actual costs of conducting all reviews and investigations necessary for the Commission to determine whether a license should be granted or denied to the applicant.

''(c) ANNUAL BUDGET.—

''(1) IN GENERAL.—For the first full fiscal year beginning after the date of enactment of the Indian Gaming Regulatory Act Amendments Act of 1997, and each fiscal year thereafter, the Commission shall adopt an annual budget for the expenses and operation of the Commission.

''(2) REQUEST FOR APPROPRIATIONS.—The budget of the Commission may include a request for appropriations authorized under section 18.

''(3) SUBMISSION TO CONGRESS.—Notwithstanding any other provision of law, a request for appropriations made pursuant to paragraph (2) shall be submitted by the Commission directly to Congress beginning with the request for the first full fiscal year beginning after the date of enactment of this Act, and shall include the proposed annual budget of the Commission and the estimated revenues to be derived from fees.

''SEC. 18. AUTHORIZATION OF APPROPRIATIONS.

''Subject to section 17, there are authorized to be appropriated $5,000,000 to provide for the operation of the Commission for each of fiscal years 1998, 1999, and 2000, to remain available until expended.

''SEC. 19. APPLICATION OF THE INTERNAL REVENUE CODE OF 1986.

''(a) IN GENERAL.—The provisions of the Internal Revenue Code of 1986 (including sections 1441, 3402(q), 6041, and chapter 35 of such Code) concerning the reporting and withholding of taxes with respect to the winnings from gaming or wagering operations shall apply to Indian gaming operations conducted pursuant to this Act in the same manner as such provisions apply to State gaming and wagering operations. Any exemptions under those provisions to States with respect to taxation of that gaming or wagering operation shall be allowed to Indian tribes.

''(b) EXEMPTION.—The provisions of section 6050I of the Internal Revenue Code of 1986 shall apply to an Indian gaming establishment that is not designated by the Secretary of the Treasury as a financial institution pursuant to chapter 53 of title 31, United States Code.

''(c) STATUTORY CONSTRUCTION.—This section shall apply notwithstanding any other provision of law enacted before, on, or after, the date of enactment of this Act unless such other provision of law specifically cites this subsection.

''(d) ACCESS TO INFORMATION BY STATE AND TRIBAL GOVERNMENTS.—Subject to section 7(d), upon the request of a State or the governing body of an Indian tribe, the Commission shall make available any law enforcement information that the Commission has obtained pursuant to such section, unless otherwise prohibited by law, in order to enable the State or the Indian tribe to carry out its responsibilities under this Act or any compact approved by the Secretary.''; and

(5) by striking section 20(d).

SEC. 3. CONFORMING AMENDMENTS.

(a) TITLE 10.—Section 2323a(e)(1) of title 10, United States Code, is amended by striking ''section 4(4) of the Indian Gaming Regulatory Act (102 Stat. 2468; 25 U.S.C. 2703(4))'' and inserting ''section 4(14) of the Indian Gaming Regulatory Act''.

(b) TITLE 18.—Title 18, United States Code, is amended—

(1) in section 1166—

(A) in subsection (c), by striking ''a Tribal-State compact approved by the Secretary of the Interior under section 11(d)(8) of the Indian Gaming Regulatory Act that is in effect'' and inserting ''a compact approved by the Secretary of the Interior under section 12(a) of the Indian Gaming Regulatory Act that is in effect or pursuant to procedures prescribed by the Secretary of the Interior under section 12(a)(3)(B)(iii) of such Act''; and

(B) in subsection (d), by striking ''a Tribal-State compact approved by the Secretary of the Interior under section 11(d)(8) of the Indian Gaming Regulatory Act'' and inserting ''a compact approved by the Secretary of the Interior under section 12(a) of the Indian Gaming Regulatory Act or pursuant to procedures prescribed by the Secretary of the Interior under section 12(a)(3)(B)(iii) of such Act,'';

(2) in section 1167, by striking ''pursuant to an ordinance or resolution approved by the National Indian Gaming Commission'' each place it appears; and

(3) in section 1168, by striking ''pursuant to an ordinance or resolution approved by the National Indian Gaming Commission,'' each place it appears.

(c) INTERNAL REVENUE CODE OF 1986.—Section 168(j)(4)(A)(iv) of the Internal Revenue Code of 1986 is amended by striking ''Indian Regulatory Act'' and inserting ''Indian Gaming Regulatory Act''.

(d) TITLE 28.—Title 28, United States Code, is amended—

(1) in section 3701(2)—

(A) by striking ''section 4(5) of the Indian Gaming Regulatory Act (25 U.S.C. 2703(5))'' and inserting ''section 4(15) of the Indian Gaming Regulatory Act''; and

(B) by striking ''section 4(4) of such Act (25 U.S.C. 2703(4))'' and inserting ''section 4(14) of such Act''; and

(2) in section 3704(b), by striking ''section 4(4) of the Indian Gaming Regulatory Act'' and inserting ''section 4(14) of the Indian Gaming Regulatory Act''.

Mr. INOUYE. Mr. President, I rise today to join my distinguished colleague, Senator JOHN MCCAIN, as a cosponsor of legislation to amend the Indian Gaming Regulatory Act of 1988.

It is my understanding that this measure is substantially identical in most respects to the bill, S. 487, that was reported by the Committee on Indian Affairs in the last session of the Congress.

Mr. President, over the years, in our various capacities as Members, chairman, and vice chairman of the Committee on Indian Affairs, Senator MCCAIN and I have worked together on the complex and challenging issues which have typically loomed large on the horizons of Indian gaming.

We have learned, from sometimes bitter experience, that in this arena, one most definitely cannot satisfy even some of the people some of the time—but we have continued to explore a range of solutions that might hold the potential for finding acceptance amongst the relevant parties in interest.

Mr. President, it is my hope that in the days ahead, the chairman of the Indian Affairs Committee and I will be able to introduce a measure to amend the Indian Gaming Regulatory Act that will build upon this initiative, and the work that the Indian Affairs Committee has been engaged in—over the last 7 months.

We are in the process of updating some of the provisions of the 1988 act—as well as identifying areas that may require a whole new approach.

In the interim, of this we can be certain—there will be much discussion and a renewed round of debate on the merits of the measure that is being introduced today—but I commend my colleague for his continuing commitment to Indian country, and his efforts to address some of the more challenging issues of our times.

By Mr. SPECTER (for himself, Mr. ROCKEFELLER, Mr. ABRAHAM, Mr. AKAKA, Mr. ALLARD, Mr. ASHCROFT, Mr. BINGAMAN, Mr. BOND, Mr. BREAUX, Mr. CAMPBELL, Mr. CLELAND, Mr. COATS, Mr. COCHRAN, Ms. COLLINS, Mr. CRAIG, Mr. D'AMATO, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. FAIRCLOTH, Mrs. FEINSTEIN, Mr. FORD, Mr. GLENN, Mr. GRAHAM, Mr. GRAMS, Mr. GRASSLEY, Mr. HAGEL, Mr. HATCH, Mr. HELMS, Mr. HOLLINGS, Mr. INHOFE, Mr. INOUYE, Mr. JEFFORDS, Mr. KEMPTHORNE, Ms. LANDRIEU, Mr. LIEBERMAN, Mr. MACK, Mr. MCCAIN, Ms. MOSELEY-BRAUN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. REID, Mr. ROTH, Mr. SANTORUM, Mr. SMITH of Oregon, Ms. SNOWE, Mr. STEVENS, and Mr. THURMOND):

S.J. Res. 36. A joint resolution to confer status as an honorary veteran of the United States Armed Forces on Leslie Townes (Bob) Hope; to the Committee on Veterans' Affairs.

LEGISLATION TO CONFER STATUS AS AN HONORARY VETERAN OF THE U.S. ARMED FORCES TO LESLIE TOWNES (BOB) HOPE

Mr. SPECTER. Mr. President, it is with a particular sense of privilege that I introduce legislation today to confer the status of honorary veteran of the U.S. Armed Forces to Leslie Townes (Bob) Hope. If any person in this country merits such an unprecedented honor—and Mr. President, it is my understanding that no person has ever before been conferred the status of honorary veteran—surely, it is Bob Hope.

Bob Hope's contributions to this Nation—and, particularly, to its soldiers, sailors, marines, and airmen—are well known to all of our citizens. Less well known to many is the fact that Bob Hope is a naturalized U.S. citizen, having emigrated to this country from England when Bob was just a boy. I am the son of a naturalized American—an immigrant who walked across Europe with barely a ruble in his pocket so that he could make his way to this country. So I know first hand that a person of humble origins can scale the heights of this country. Few, though, have scaled the heights that Bob Hope has scaled.

When I say Bob Hope has scaled the heights, I am not referring to his success as an actor, a comedian, or businessman—though his success in all three areas has been considerable. When I say Bob Hope has scaled the heights, I am thinking of his place in the hearts of his adopted countrymen.

Who in this country is more beloved by a broader spectrum of his fellow citizens than Bob Hope—people of all ages, races, religions, and beliefs? Perhaps, none more than Bob Hope. For the past 50 years, this country's fighting men and women could count on Bob Hope to lift their spirits and morale when they faced the prospect of making the ultimate sacrifice. In World War II, in Korea, in Vietnam and, most recently, in the Persian Gulf, Bob Hope and his troupe were there to entertain the troops. More importantly, they were there to remind our fighting men and women that they were not forgotten, that their suffering was appreciated. Bob Hope was always with the troops—especially during the holidays—enduring hardship, and often significant physical danger, so that he might encourage those facing greater hardship and danger. Three generations of veterans will never forget how much he cared.

Those three generations of veterans wonder how they might properly recognize Bob Hope. He is already a recipient of the Nation's highest civilian decorations, the Congressional Gold Medal and the Presidential Medal of Freedom. President Carter hosted a White House reception in honor of his 75th birthday. President Clinton bestowed upon him the Medal of the Arts. He has received more than 50 honorary doctorates, and innumerable awards from civic, social, and veterans organizations. But Bob Hope cannot say that he is a veteran—in my mind, one of the most honorable appellations one can carry. This legislation will remedy that.

I ask that all of my colleagues join me in supporting legislation to designate Bob Hope an honorary veteran. And I thank the former Commandant of the U.S. Marine Corps and the current president of the USO, Gen. Carl Mundy, for spearheading this effort.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 36

Whereas the United States has never before conferred status as an honorary veteran of the United States Armed Forces on an individual, and such status is and should remain an extraordinary honor not lightly conferred nor frequently granted;

Whereas the lifetime of accomplishments and service of Leslie Townes (Bob) Hope on behalf of United States military servicemembers fully justifies the conferring of such status;

Whereas Leslie Townes (Bob) Hope is himself not a veteran, having attempted to enlist in the Armed Forces to serve his country during World War II, but being informed that the greatest service he could provide the Nation was as a civilian entertainer for the troops;

Whereas during World War II, the Korean Conflict, the Vietnam War, and the Persian Gulf War and throughout the Cold War, Bob Hope traveled to visit and entertain millions of United States servicemembers in numerous countries, on ships at sea, and in combat zones ashore;

Whereas Bob Hope has been awarded the Congressional Gold Medal, the Presidential Medal of Freedom, the Distinguished Service Medal of each of the branches of the Armed Forces, and more than 100 citations and awards from national veterans service organizations and civic and humanitarian organizations; and

Whereas Bob Hope has given unselfishly of his time for over a half century to be with United States servicemembers on foreign shores, working tirelessly to bring a spirit of humor and cheer to millions of servicemembers during their loneliest moments, and thereby extending for the American people a touch of home away from home: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress—

(1) extends its gratitude, on behalf of the American people, to Leslie Townes (Bob) Hope for his lifetime of accomplishments and service on behalf of United States military servicemembers; and

(2) confers upon Leslie Townes (Bob) Hope the status of an honorary veteran of the United States Armed Forces.

ADDITIONAL COSPONSORS

S. 61

At the request of Mr. TORRICELLI, his name was added as a cosponsor of S. 61, a bill to amend title 46, United States Code, to extend eligibility for veterans' burial benefits, funeral benefits, and related benefits for veterans of certain service in the United States merchant marine during World War II.

S. 173

At the request of Mr. DEWINE, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 173, a bill to expedite State reviews of criminal records of applicants for private security officer employment, and for other purposes.

S. 621

At the request of Mr. D'AMATO, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 621, a bill to repeal the Public Utility Holding Company Act of 1935, to enact the Public Utility Holding Company Act of 1997, and for other purposes.

S. 623

At the request of Mr. INOUYE, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 623, a bill to amend title 38, United States Code, to deem certain service in the organized military forces of the Government of the Commonwealth of the Philipines and the Philippine Scouts to have been active service for purposes of benefits under programs administered by the Secretary of Veterans Affairs.

S. 648

At the request of Mr. GORTON, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 648, a bill to establish legal standards and procedures for product liability litigation, and for other purposes.

S. 763

At the request of Mr. HELMS, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 763, a bill to amend the Gun-Free Schools Act of 1994 to require a local educational agency that receives funds under the Elementary and Secondary Education Act of 1965 to expel a student determined to be in possession of an illegal drug, or illegal drug paraphernalia, on school property, in addition to expelling a student determined to be in possession of a gun.

S. 766

At the request of Ms. SNOWE, the names of the Senator from Connecticut [Mr. LIEBERMAN] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 766, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 830

At the request of Mr. JEFFORDS, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 830, a bill to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to improve the regulation of food, drugs, devices, and biological products, and for other purposes.

S. 831

At the request of Mr. SHELBY, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 831, a bill to amend chapter 8 of title 5, United States Code, to provide for congressional review of any rule